

June 14, 2004

1120 Stakeholders

We are pleased to share with you the final draft of the five test case scenarios to be used for Release 2, 1120/1120S testing. We will have a slight delay from our original plan of opening testing on June 21st, and expect it to begin on June 28th, but we will inform you of the actual date when known. We do expect to allow ample time to test and file prior to the September 15th extension due date. These scenarios are at the end of the revised Publication 4162, Modernized e-File Test Package for Forms 1120/1120S. This publication contains other information you will need for testing. Publication 4162 and Release 2 test case scenarios can be found at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html> URL.

As always, we appreciate your involvement and participation. If you have any questions or comments, please contact us through the Topica group or the ETA 1120 Team at 1120@irs.gov. You can also contact Xan Ostro from our ITS team at (202) 283-7697 or Janet Brown, (516) 460-8352 / Merv Hyndman, (202) 283-0411 from the ETA 1120 team.

Release 2 1120/1120S Test Scenarios

1. 1120 – 4626, Sch D, 3800, 4562, 4797, 5884, 6765, 8861, 8881, 8882, 8594

ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedAdditionalSection263AcostsSchedule
ItemizedOtherCostsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedOtherLiabilitiesSchedule
Binary Attachment - Scanned Form 8453-C

2. 1120 – Sch D, 4626, 4797, 4562, 6198, 8275

ItemizedOtherCostsSchedule
Owned50PercentVotingStockOfDomesticCorpStatement
ItemizedOtherCurrentLiabilitiesSchedule
Binary Attachment – Scanned Form 8453-C

3. 1120 – 4562, 5472 (2), 8833, 8886

ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedOtherCostsSchedule
AnyoneOwned50PctOfCorpVotingStockStatement
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherAssetsSchedule
ExchangeRateSchedule
Binary Attachment – Practitioner PIN

4. 1120S – 3115, 4562, 4797, Sch K-1(5), 8825, 970

CharitableContributionsSchedule
ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedOtherCostsSchedule
DetailedAnalysisOfAllInventoriesStatement
AdjNotIncludedInIncomeOverThreeYearExplnStatement
PoolingMethodStatement
CostSystemUsedStatement
OverallMethodOfAccountingAttachment
TradeOrBusinessStatement
Binary Attachment – Scanned 8453-S

5. 1120S - Sch D, 4562, 4797, 8082, 8283, 8825, 8881, Sch K-1(2)

CharitableContributionsSchedule
FairMarketValueStatement
ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
ItemizedOtherCurrentLiabilitiesSchedule

ItemizedOtherCostsSchedule
ItemizedDeductionsPortfolioIncomeLossStatement
SupplementalInformationStmt
Binary Attachment – Scanned 8453-S

TEST SCENARIO 1

FORMS REQUIRED: 1120, 4626, Sch D, 3800, 4562, 4797, 5884, 6765, 8861, 8881, 8882, 8594

ATTACHMENTS:

ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedAdditionalSection263AcostsSchedule
ItemizedOtherCostsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedOtherLiabilitiesSchedule

BINARY ATTACHMENTS: Scanned Form 8453-C

OTHER:

PREPARED BY: Electronic Tax Filers, Inc. 999-06-0007, 11-0000011
100 Efile Drive
Anytown, TX 78621
Phone Number: 512-555-1212

TAXPAYER NAME: Help For All, Inc.
TAXPAYER EIN: 11-0000001
TAX PERIOD: Calendar Year 2003

ADDRESS: 31 Any Street
Anytown, MD 20901

IRS PAYMENT: N/A

Details for attachments to Form 1120

Schedule 1, Form 1120, Page 1, Line 10, Other Income
(ItemizedOtherIncomeSchedule)

Income from Partnerships	<u>375,018,745</u>
Total	375,018,745

Schedule 2, Form 1120, Page 1, Line 26, Other Deductions
(ItemizedOtherDeductionsSchedule)

Dues and Subscriptions	3,932,765
Communications	925,702

Employment Expenses	81,763,530
Utilities & Telephone	3,932,765
Travel	6,625,923
Amortization	719,800
Professional Expenses	4,376,350
Workers Compensation	8,725,013
Supplies	4,914,685
Postage	212,652
Transportation	989,391
Miscellaneous	<u>113,203,275</u>
Total	230,321,851

Schedule 3, Form 1120, Page 2, Sch A, Line 4, Additional section 263A costs
 (ItemizedAdditionalSection263AcostsSchedule)

Administrative costs	<u>19,676</u>
Total	19,676

Schedule 4, Form 1120, Page 2, Sch A, Line 5, Other Costs
 (ItemizedOtherCostsSchedule)

Allocation of Cost of Goods Sold	2,974
Cost of Service	<u>50,804</u>
Total	53,778

Schedule 5, Form 1120, Page 4, Sch L, Line 6, Other current assets
 (ItemizedOtherCurrentAssetsSchedule)

	Beginning	Ending
Other Receivables		108,721
Prepays		-38,282
Unbilled Revenue	1,794,860	130,717
Other	<u>4,477,350</u>	<u>5,000,000</u>
Total	6,272,210	5,201,156

Schedule 6, Form 1120, Page 4, Sch L, Line 9, Other investments
 (ItemizedOtherInvestmentsSchedule)

	Beginning	Ending
Investments in Affiliates	<u>1,170,917,682</u>	<u>1,230,810,633</u>
Total	1,170,917,682	1,230,810,633

Schedule 7, Form 1120, Page 4, Sch L, Line 18, Other current liabilities
(ItemizedOtherCurrentLiabilitiesSchedule)

	Beginning	Ending
Payroll & Related	217,392,209	115,320,352
Accrued Interest	367,939,212	172,573,825
Accrued Benefits	25,287,715	402,963
Accrued Liabilities	<u>219,144,766</u>	<u>181,956,145</u>
Total	829,763,902	470,253,285

Schedule 8, Form 1120, Page 4, Sch L, Line 21, Other Liabilities
(ItemizedOtherLiabilitiesSchedule)

	Beginning	Ending
Deferred Compensation	<u>962,818,384</u>	<u>1,173,826,771</u>
Total	962,818,384	1,173,826,771

Repeat Group 1, Form 1120, Page 4, Sch M-1, Line 4, Income not recorded on books
this year

Income from Partnerships	60,244,363
Adjustment	<u>2,763,826</u>
Total	63,008,189

Repeat Group 2, Form 1120, Page 4, Sch M-1, Line 5, Expenses on books not
deducted in return

Amortization	4,680,157
Interest Expense	1,200,556
Salaries & Wages Adjustment	11,350
Pension, Profit Sharing Adjustment	500
Employee Benefit Adjustment	<u>5,000</u>
Total	5,897,563

Repeat Group 3, Form 1120, Page 4, Sch M-1, Line 7, Income on books not included
on return

Income from Partnerships	<u>1,405,201</u>
Total	1,405,201

Repeat Group 4, Form 1120, Page 4, Sch M-1, Line 8, Deductions on return not
charged on books

Interest Expense	15,725,270
Loss on Sale of Fixed Assets	250,795
Property Tax Expense	90,163

Other Expense	<u>47,233,792</u>
Total	63,300,020

Repeat Group 5, Form 1120, Page 4, Sch M-2, Line 3, Other increases

Miscellaneous Other Increases	<u>1,804,817,786</u>
Total	1,804,817,786

Repeat Group 6, Form 1120, Page 4, Sch M-2, Line 6, Other decreases

Other Decreases	<u>882,718,261</u>
Total	882,718,261

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2003 or tax year beginning _____, 2003, ending _____, 20 _____

▶ Instructions are separate. See page 20 for Paperwork Reduction Act Notice.

2003

- A Check if a:**
1 Consolidated return (attach Form 851) ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (as defined in Regulations sec. 1.441-3(c)—see instructions) ☐

Use IRS label. Otherwise, print or type.

Name

Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.)

City or town, state, and ZIP code

B Employer identification number

C Date incorporated

D Total assets (see page 8 of instructions)

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change \$

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal ▶	1c	
	2	Cost of goods sold (Schedule A, line 8)					2			
	3	Gross profit. Subtract line 2 from line 1c					3			
	4	Dividends (Schedule C, line 19)					4			
	5	Interest					5			
	6	Gross rents					6			
	7	Gross royalties					7			
	8	Capital gain net income (attach Schedule D (Form 1120))					8			
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					9			
	10	Other income (see page 9 of instructions—attach schedule)					10			
	11	Total income. Add lines 3 through 10					11			
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)				12				
	13	Salaries and wages (less employment credits)				13				
	14	Repairs and maintenance				14				
	15	Bad debts				15				
	16	Rents				16				
	17	Taxes and licenses				17				
	18	Interest				18				
	19	Charitable contributions (see page 11 of instructions for 10% limitation)				19				
	20	Depreciation (attach Form 4562)		20						
	21	Less depreciation claimed on Schedule A and elsewhere on return		21a			21b			
	22	Depletion				22				
	23	Advertising				23				
	24	Pension, profit-sharing, etc., plans				24				
	25	Employee benefit programs				25				
	26	Other deductions (attach schedule)				26				
	27	Total deductions. Add lines 12 through 26				27				
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28				
	29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)		29a			29c			
	b Special deductions (Schedule C, line 20)		29b							
Tax and Payments	30	Taxable income. Subtract line 29c from line 28				30				
	31	Total tax (Schedule J, line 11)				31				
	32	Payments: a 2002 overpayment credited to 2003	32a							
	b 2003 estimated tax payments	32b								
	c Less 2003 refund applied for on Form 4466	32c	()	d Bal ▶	32d				
	e Tax deposited with Form 7004	32e								
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32f								
	g Credit for Federal tax on fuels (attach Form 4136). See instructions	32g				32h				
	33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached				33				
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed				34				
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				35					
36	Enter amount of line 35 you want: Credited to 2004 estimated tax ▶ Refunded ▶				36					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no. ()

Schedule A Cost of Goods Sold (see page 14 of instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (see instructions beginning on page 15)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total. Add lines 1 through 8. See page 16 of instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 . . . ▶			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶			

Schedule E Compensation of Officers (see instructions for line 12, page 1, on page 10 of instructions)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

Schedule J Tax Computation (see page 17 of instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>				
Important: Members of a controlled group, see instructions on page 17.				
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):				
(1) \$	(2) \$	(3) \$		
b Enter the corporation's share of:				
(1) Additional 5% tax (not more than \$11,750)			\$	
(2) Additional 3% tax (not more than \$100,000)			\$	
3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) <input type="checkbox"/>			3	
4 Alternative minimum tax (attach Form 4626)			4	
5 Add lines 3 and 4			5	
6a Foreign tax credit (attach Form 1118)			6a	
b Possessions tax credit (attach Form 5735)			6b	
c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)			6c	
d General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶			6d	
e Credit for prior year minimum tax (attach Form 8827)			6e	
f Qualified zone academy bond credit (attach Form 8860)			6f	
7 Total credits. Add lines 6a through 6f			7	
8 Subtract line 7 from line 5			8	
9 Personal holding company tax (attach Schedule PH (Form 1120))			9	
10 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)			10	
11 Total tax. Add lines 8 through 10. Enter here and on line 31, page 1			11	

Schedule K Other Information (see page 19 of instructions)

1 Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No	7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶	Yes	No
2 See page 21 of the instructions and enter the: a Business activity code no. ▶ b Business activity ▶ c Product or service ▶			c The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶			9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		
5 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶			10 Enter the number of shareholders at the end of the tax year (if 75 or fewer) ▶		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 , Affiliations Schedule, for each subsidiary.			11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
			12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$		
			13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated				
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 20 of instructions)

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$				
6	Add lines 1 through 5		9	Add lines 7 and 8	
			10	Income (line 28, page 1)—line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year		5	Distributions: a Cash	
2	Net income (loss) per books			b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3		8	Balance at end of year (line 4 less line 7)	



**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Name

Capital Gains and Losses

► Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H,
1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT,
1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

2003

Employer identification number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term gain or (loss) from like-kind exchanges from Form 8824				3
4	Unused capital loss carryover (attach computation)				4 ()
5	Net short-term capital gain or (loss). Combine lines 1 through 4				5

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

6					
7	Enter gain from Form 4797, column (g), line 7 or 9				7
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37				8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824				9
10	Capital gain distributions (see instructions)				10
11	Net long-term capital gain or (loss). Combine lines 6 through 10				11

Part III Summary of Parts I and II

12	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11).	12	
13	Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13	
14	Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	14	

Note: If losses exceed gains, see **Capital losses** in the instructions on page 2.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Schedule

Use Schedule D to report sales and exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets.

Note: For more information, see **Pub. 544, Sales and Other Dispositions of Assets**.

Other Forms the Corporation May Have To File

Use **Form 4797, Sales of Business Property**, to report the following:

- The sale or exchange of:

1. Property used in a trade or business;
 2. Depreciable and amortizable property;
 3. Oil, gas, geothermal, or other mineral property; and
 4. Section 126 property.
- The involuntary conversion (other than from casualty or theft) of property and capital assets held for business or profit.
 - The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of the corporation's trade or business.
 - The section 291 adjustment to section 1250 property.

Use **Form 4684, Casualties and Thefts**, to report involuntary conversions of property due to casualty or theft.

Use **Form 6781, Gains and Losses From Section 1256 Contracts and Straddles**, to report gains and losses from section 1256 contracts and straddles.

Use **Form 8824, Like-Kind Exchanges**, if the corporation made one or more "like-kind" exchanges. A like-kind exchange occurs when the corporation exchanges business or investment property for property of a like kind. For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 3 or line 9.

General Business Credit

► See instructions on pages 3 and 4.

► Attach to your tax return.

OMB No. 1545-0895

2003

Attachment
Sequence No. **22**

Identifying number

Part I Current Year Credit

1a	Current year investment credit (Form 3468)	1a		
b	Current year work opportunity credit (Form 5884)	1b		
c	Current year welfare-to-work credit (Form 8861)	1c		
d	Current year credit for alcohol used as fuel (Form 6478)	1d		
e	Current year credit for increasing research activities (Form 6765)	1e		
f	Current year low-income housing credit (Form 8586)	1f		
g	Current year enhanced oil recovery credit (Form 8830)	1g		
h	Current year disabled access credit (Form 8826)	1h		
i	Current year renewable electricity production credit (Form 8835)	1i		
j	Current year Indian employment credit (Form 8845)	1j		
k	Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846)	1k		
l	Current year orphan drug credit (Form 8820)	1l		
m	Current year new markets credit (Form 8874)	1m		
n	Current year credit for small employer pension plan startup costs (Form 8881)	1n		
o	Current year credit for employer-provided child care facilities and services (Form 8882)	1o		
p	Current year credit for contributions to selected community development corporations (Form 8847)	1p		
q	Current year trans-Alaska pipeline liability fund credit (see instructions)	1q		
r	Current year general credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1r		
2	Current year credit. Add lines 1a through 1r	2		
3	Passive activity credits included on line 2 (see instructions)	3		
4	Subtract line 3 from line 2	4		
5	Passive activity credits allowed for 2003 (see instructions)	5		
6	Carryforward of general business credit to 2003. See instructions for the schedule to attach	6		
7	Carryback of general business credit from 2004 (see instructions)	7		
8	Current year credit. Add lines 4 through 7	8		

Part II Allowable Credit

9	Regular tax before credits (see instructions)	9		
10	Alternative minimum tax (see instructions)	10		
11	Add lines 9 and 10	11		
12a	Foreign tax credit	12a		
b	Credit for child and dependent care expenses (Form 2441, line 11)	12b		
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)	12c		
d	Education credits (Form 8863, line 18)	12d		
e	Credit for qualified retirement savings contributions (Form 8880, line 14)	12e		
f	Child tax credit (Form 1040, line 49)	12f		
g	Mortgage interest credit (Form 8396, line 11)	12g		
h	Adoption credit (Form 8839, line 18)	12h		
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	12i		
j	Possessions tax credit (Form 5735, line 17 or 27)	12j		
k	Credit for fuel from a nonconventional source	12k		
l	Qualified electric vehicle credit (Form 8834, line 20)	12l		
m	Add lines 12a through 12l	12m		
13	Net income tax. Subtract line 12m from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18	13		
14	Net regular tax. Subtract line 12m from line 9. If zero or less, enter -0-	14		
15	Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions)	15		
16	Tentative minimum tax (see instructions)	16		
17	Enter the greater of line 15 or line 16	17		
18	Subtract line 17 from line 13. If zero or less, enter -0-	18		
19	Credit allowed for the current year. Enter the smaller of line 8 or line 18 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 19 is smaller than line 8, see instructions. Individuals, estates, and trusts: See instructions if claiming the research credit. C corporations: See Schedule A if claiming any regular investment credit carryforward and the line 19 instructions if there has been an ownership change, acquisition, or reorganization	19		

Schedule A—Additional General Business Credit Allowed by Internal Revenue Code Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990)—Only Applicable to C Corporations

A corporation (other than an S corporation) may be entitled to a larger general business credit or additional credit against the AMT if: **(a)** it is claiming a regular investment credit carryforward on line 6 attributable, in whole or in part, to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990), **(b)** some of that investment credit cannot be used because line 18 is smaller than line 8, **and (c)** it is required to file **Form 4626, Alternative Minimum Tax—Corporations**. Complete Schedule A to see if the corporation is entitled to an additional credit.

20	Enter the portion of the credit shown on line 6 that is attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	20		
21	Tentative minimum tax (from line 16)	21		
22	Multiply line 21 by 25% (.25)	22		
23	Enter the amount from line 18	23		
24	Enter the portion of the credit shown on line 8 that is not attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	24		
25	Subtract line 24 from line 23. If zero or less, enter -0-	25		
26	Subtract line 25 from line 20. If zero or less, enter -0-	26		
27	For purposes of this line only, refigure the amount on Form 4626, line 11, by using zero on Form 4626, line 6, and enter the result here	27		
28	Multiply line 27 by 10% (.10)	28		
29	Net income tax (from line 13)	29		
30	Enter the amount from line 19	30		
31	Subtract line 30 from line 29	31		
32	Subtract line 28 from line 31	32		
33	Enter the smallest of line 22, line 26, or line 32	33		
34	Subtract line 33 from line 21	34		
35	Enter the greater of line 15 or line 34	35		
36	Subtract line 35 from line 29. Also enter this amount on line 19 instead of the amount previously figured on that line. Write "Sec. 38(c)(2)" next to your entry on line 19	36		

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB

control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping17 hr., 56 min.

Learning about the law or the form1 hr.

Preparing and sending the form to the IRS1 hr., 19 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

2003Attachment
Sequence No. **67**

Identifying number

Part I Election To Expense Certain Tangible Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	\$100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)						25		
26 Property used more than 50% in a qualified business use (see page 7 of the instructions):		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions):		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles—see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32.												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions):					
43 Amortization of costs that began before your 2003 tax year.					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					44



Alternative Minimum Tax-Corporations

► See separate instructions.
► Attach to the corporation's tax return.

2003

Name

Employer identification number

Note: See page 1 of the instructions to find out if the corporation is a small corporation exempt from the AMT under section 55(e).

1	Taxable income or (loss) before net operating loss deduction	1
2	Adjustments and preferences:	
a	Depreciation of post-1986 property	2a
b	Amortization of certified pollution control facilities.	2b
c	Amortization of mining exploration and development costs.	2c
d	Amortization of circulation expenditures (personal holding companies only)	2d
e	Adjusted gain or loss	2e
f	Long-term contracts	2f
g	Merchant marine capital construction funds.	2g
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h
i	Tax shelter farm activities (personal service corporations only)	2i
j	Passive activities (closely held corporations and personal service corporations only)	2j
k	Loss limitations	2k
l	Depletion	2l
m	Tax-exempt interest income from specified private activity bonds	2m
n	Intangible drilling costs.	2n
o	Other adjustments	2o
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3
4	Adjusted current earnings (ACE) adjustment:	
a	ACE from line 10 of the worksheet on page 11 of the instructions	4a
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See examples on page 6 of the instructions	4b
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5
6	Alternative tax net operating loss deduction (see page 7 of the instructions).	6
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see page 7 of the instructions	7
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):	
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0-	8a
b	Multiply line 8a by 25% (.25).	8b
c	Exemption. Subtract line 8b from \$40,000 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0-	8c
9	Subtract line 8c from line 7. If zero or less, enter -0-	9
10	Multiply line 9 by 20% (.20)	10
11	Alternative minimum tax foreign tax credit (see page 7 of the instructions)	11
12	Tentative minimum tax. Subtract line 11 from line 10.	12
13	Regular tax liability before all credits except the foreign tax credit and possessions tax credit	13
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 4, or the appropriate line of the corporation's income tax return	14



Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2003

Attachment
Sequence No. **27**

Name(s) shown on return	Identifying number
1 Enter the gross proceeds from sales or exchanges reported to you for 2003 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)	1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (See instructions.)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) for entire year. Subtract (f) from the sum of (d) and (e)	(h) Post-May 5, 2003, gain or (loss)* (see below)
2							
3 Gain, if any, from Form 4684, line 39						3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5	
6 Gain, if any, from line 32, from other than casualty or theft						6	
7 Combine lines 2 through 6 in columns (g) and (h). Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6, or Form 1120S, Schedule K, line 5. Skip lines 8, 9, 11, and 12 below. All others. If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, 11, and 12 below.						7	
8 Nonrecaptured net section 1231 losses from prior years (see instructions)						8	
9 Subtract line 8 from line 7. If line 9, column (g) is zero or less, enter -0- in column (g). If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below and include the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D (see instructions)						9	

*Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain and the amount, if any, on line 8, column (g), does not exceed the gain on line 7, column (g). Include in column (h) all gains and losses from column (g) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do not include gain attributable to unrecaptured section 1250 gain.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):							
11 Loss, if any, from line 7, column (g)						11	()
12 Gain, if any, from line 7, column (g) or amount from line 8, column (g), if applicable						12	
13 Gain, if any, from line 31						13	
14 Net gain or (loss) from Form 4684, lines 31 and 38a						14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36						15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824						16	
17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)						17	
18 Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed. b For individual returns: (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14						18	
						18b(1)	
						18b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6, column (g), and if applicable, column (h)	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation. See instructions	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	



Work Opportunity Credit

► Attach to your tax return.

2003Attachment
Sequence No. **77**

Name(s) shown on return

Identifying number

Part I Current Year Credit (Members of a controlled group, see instructions.)

1 Enter the total qualified first-year wages paid or incurred during the tax year, and multiply by the percentage shown, for services of employees who began work for you before January 1, 2004, are certified as members of a targeted group; and:

a Worked for you at least 120 hours but fewer than 400 hours . . . \$. . . × 25% (.25)

b Worked for you at least 400 hours . . . \$. . . × 40% (.40)

2 Add lines 1a and 1b. You **must** subtract this amount from your deduction for salaries and wages

3 Work
opportunity
credits from
pass-through
entities:

If you are a—

a Shareholder . . .

b Partner . . .

c Beneficiary . . .

d Patron . . .

Then enter the total of the current year credits from—

Schedule K-1 (Form 1120S), lines 12d, 12e, or 13 . . .

Schedule K-1 (Form 1065), lines 12c, 12d, or 13 . . .

Schedule K-1 (Form 1041), line 14 . . .

Written statement from cooperative . . .

4 **Current year credit.** Add lines 2 and 3. (S corporations, partnerships, estates, trusts, cooperatives, regulated investment companies, and real estate investment trusts, see instructions.)

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

5 Regular tax before credits:

- Individuals. Enter the amount from Form 1040, line 41 . . .
- Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return . . .
- Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return . . .

6 Alternative minimum tax:

- Individuals. Enter the amount from Form 6251, line 35 . . .
- Corporations. Enter the amount from Form 4626, line 14 . . .
- Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56 . . .

7 Add lines 5 and 6

8a Foreign tax credit

b Credit for child and dependent care expenses (Form 2441, line 11)

c Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)

d Education credits (Form 8863, line 18)

e Credit for qualified retirement savings contributions (Form 8880, line 14)

f Child tax credit (Form 1040, line 49)

g Mortgage interest credit (Form 8396, line 11)

h Adoption credit (Form 8839, line 18)

i District of Columbia first-time homebuyer credit (Form 8859, line 11)

j Possessions tax credit (Form 5735, line 17 or 27)

k Credit for fuel from a nonconventional source

l Qualified electric vehicle credit (Form 8834, line 20)

m Add lines 8a through 8l

9 Net income tax. Subtract line 8m from line 7. If zero, skip lines 10 through 13 and enter -0- on line 14

10 Net regular tax. Subtract line 8m from line 5. If zero or less, enter -0-

11 Enter 25% (.25) of the excess, if any, of line 10 over \$25,000 (see instructions)

12 Tentative minimum tax (see instructions)

13 Enter the greater of line 11 or line 12

14 Subtract line 13 from line 9. If zero or less, enter -0-

15 **Credit allowed for the current year.** Enter the **smaller** of line 4 or line 14 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 14 is smaller than line 4, see instructions

Credit for Increasing Research Activities

► Attach to your tax return.

2003Attachment
Sequence No. **81**

Identifying number

Part I Current Year Credit (Members of controlled groups or businesses under common control, see instructions.)**Section A—Regular Credit.** Skip this section and go to Section B if you are electing or previously elected the alternative incremental credit.

1	Basic research payments paid or incurred to qualified organizations (see instructions)	1		
2	Qualified organization base period amount	2		
3	Subtract line 2 from line 1. If zero or less, enter -0-	3		
4	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	4		
5	Cost of supplies	5		
6	Rental or lease costs of computers (see instructions)	6		
7	Enter the applicable percentage of contract research expenses (see instructions)	7		
8	Total qualified research expenses. Add lines 4 through 7	8		
9	Enter fixed-base percentage, but not more than 16% (see instructions)	9		%
10	Enter average annual gross receipts (see instructions)	10		
11	Multiply line 10 by the percentage on line 9	11		
12	Subtract line 11 from line 8. If zero or less, enter -0-	12		
13	Multiply line 8 by 50% (.50)	13		
14	Enter the smaller of line 12 or line 13	14		
15	Add lines 3 and 14	15		
16	Regular credit. If you are not electing the reduced credit under section 280C(c), multiply line 15 by 20% (.20), enter the result, and see the instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 15 by 13% (.13) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space. Go to Section C	16		

Section B—Alternative Incremental Credit. Skip this section if you completed Section A.

17	Basic research payments paid or incurred to qualified organizations (see the line 1 instructions)	17		
18	Qualified organization base period amount	18		
19	Subtract line 18 from line 17. If zero or less, enter -0-	19		
20	Multiply line 19 by 20% (.20)	20		
21	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	21		
22	Cost of supplies	22		
23	Rental or lease costs of computers (see the line 6 instructions)	23		
24	Enter the applicable percentage of contract research expenses (see the line 7 instructions)	24		
25	Total qualified research expenses. Add lines 21 through 24	25		
26	Enter average annual gross receipts (see the line 10 instructions)	26		
27	Multiply line 26 by 1% (.01)	27		
28	Subtract line 27 from line 25. If zero or less, enter -0-	28		
29	Multiply line 26 by 1.5% (.015)	29		
30	Subtract line 29 from line 25. If zero or less, enter -0-	30		
31	Subtract line 30 from line 28	31		
32	Multiply line 26 by 2% (.02)	32		
33	Subtract line 32 from line 25. If zero or less, enter -0-	33		
34	Subtract line 33 from line 30	34		
35	Multiply line 31 by 2.65% (.0265)	35		
36	Multiply line 34 by 3.2% (.032)	36		
37	Multiply line 33 by 3.75% (.0375)	37		
38	Add lines 20, 35, 36, and 37	38		
39	Alternative incremental credit. If you are not electing the reduced credit under section 280C(c), enter the amount from line 38, and see the line 16 instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 38 by 65% (.65) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space	39		

Section C—Current Year Credit for Increasing Research Activities

40	Pass-through research credit(s) from a partnership, S corporation, estate, or trust	40		
41	Current year credit. Add line 16 or line 39 to line 40, and go to Part II on the back	41		

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

42	Regular tax before credits:			
	• Individuals. Enter the amount from Form 1040, line 41			
	• Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the amount from the applicable line of your return			42
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the applicable line of your return			
43	Alternative minimum tax:			
	• Individuals. Enter the amount from Form 6251, line 35			
	• Corporations. Enter the amount from Form 4626, line 14			43
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56			
44	Add lines 42 and 43			44
45a	Foreign tax credit	45a		
b	Credit for child and dependent care expenses (Form 2441, line 11)	45b		
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)	45c		
d	Education credits (Form 8863, line 18)	45d		
e	Credit for qualified retirement savings contributions (Form 8880, line 14)	45e		
f	Child tax credit (Form 1040, line 49)	45f		
g	Mortgage interest credit (Form 8396, line 11)	45g		
h	Adoption credit (Form 8839, line 18)	45h		
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	45i		
j	Possessions tax credit (Form 5735, line 17 or 27)	45j		
k	Credit for fuel from a nonconventional source	45k		
l	Qualified electric vehicle credit (Form 8834, line 20)	45l		
m	Add lines 45a through 45l			45m
46	Net income tax. Subtract line 45m from line 44. If zero, skip lines 47 through 50 and enter -0- on line 51			46
47	Net regular tax. Subtract line 45m from line 42. If zero or less, enter -0-	47		
48	Enter 25% (.25) of the excess, if any, of line 47 over \$25,000 (see instructions)	48		
49	Tentative minimum tax (see instructions):			
	• Individuals. Enter the amount from Form 6251, line 33			
	• Corporations. Enter the amount from Form 4626, line 12			
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54	49		
50	Enter the greater of line 48 or line 49			50
51	Subtract line 50 from line 46. If zero or less, enter -0-			51
52	Credit allowed for the current year. Individuals, estates, and trusts: Enter the smallest of line 41, line 51, or the amount from the formula in the instructions for line 52 here and on Form 1040, line 52; or Form 1041, Schedule G, line 2c. Corporations: Enter the smaller of line 41 or line 51 here and on Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; or the applicable line of other returns. If line 52 is smaller than line 41, see instructions			52

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping 16 hr., 58 min.

Learning about the law or the form 1 hr., 40 min.

Preparing and sending the form to the IRS 2 hr., 2 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

**Asset Acquisition Statement
Under Section 1060**

OMB No. 1545-1021

Attachment
Sequence No. **61**

▶ **Attach to your income tax return.** ▶ **See separate instructions.**

Name as shown on return

Identifying number as shown on return

Check the box that identifies you:

☐ Purchaser ☐ Seller

Part I General Information

1 Name of other party to the transaction

Other party's identifying number

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

2 Date of sale

3 Total sales price (consideration)

Part II Assets Transferred—All filers of an original statement must complete.

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	\$	\$
Class II	\$	\$
Class III	\$	\$
Class IV	\$	\$
Class V	\$	\$
Class VI and VII	\$	\$
Total	\$	\$

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? ☐ Yes ☐ No

If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? ☐ Yes ☐ No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? ☐ Yes ☐ No

If "Yes," attach a schedule that specifies **(a)** the type of agreement and **(b)** the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

Part III **Supplemental Statement**—Complete only if amending an original statement or previously filed supplemental statement because of an increase or decrease in consideration.

7 Tax year and tax return form number with which the original Form 8594 and any supplemental statements were filed.

8 Assets	Allocation of sales price as previously reported	Increase or (decrease)	Redetermined allocation of sales price
Class I	\$	\$	\$
Class II	\$	\$	\$
Class III	\$	\$	\$
Class IV	\$	\$	\$
Class V	\$	\$	\$
Class VI and VII	\$	\$	\$
Total	\$		\$

9 Reason(s) for increase or decrease. Attach additional sheets if more space is needed.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Welfare-to-Work Credit▶ **Attach to your tax return.****2003**Attachment
Sequence No. **107**

Name(s) shown on return

Identifying number

Part I Current Year Credit

1 Enter on the applicable line below the qualified first- or second-year wages paid or incurred during the tax year and multiply by the percentage shown for services of employees who began work for you before January 1, 2004, and are certified as long-term family assistance recipients. Members of a controlled group, see instructions.

- a** Qualified first-year wages \$ × 35% (.35) **1a**
- b** Qualified second-year wages \$ × 50% (.50) **1b**

2 Add lines 1a and 1b. You **must** subtract this amount from your deduction for salaries and wages **2**

- 3** Welfare-to-work credits from pass-through entities:
- | If you are a— | Then enter the total of the credits from— |
|--------------------------------|---|
| a Shareholder | Schedule K-1 (Form 1120S), lines 12d, 12e, or 13. |
| b Partner | Schedule K-1 (Form 1065), lines 12c, 12d, or 13 |
| c Beneficiary | Schedule K-1 (Form 1041), line 14 |
| d Patron | Written statement from cooperative |
- 3**

4 **Current year credit.** Add lines 2 and 3. (S corporations, partnerships, estates, trusts, cooperatives, regulated investment companies, and real estate investment trusts, see instructions.) **4**

Part II Allowable Credit (See Who must file Form 3800 to find out if you complete Part II or file Form 3800.)

5 Regular tax before credits:

- Individuals. Enter the amount from Form 1040, line 41
- Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return
- Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return

6 Alternative minimum tax:

- Individuals. Enter the amount from Form 6251, line 35
- Corporations. Enter the amount from Form 4626, line 14
- Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56

7 Add lines 5 and 6

8a Foreign tax credit

- b** Credit for child and dependent care expenses (Form 2441, line 11)
- c** Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)
- d** Education credits (Form 8863, line 18)
- e** Credit for qualified retirement savings contributions (Form 8880, line 14)
- f** Child tax credit (Form 1040, line 49)
- g** Mortgage interest credit (Form 8396, line 11)
- h** Adoption credit (Form 8839, line 18)
- i** District of Columbia first-time homebuyer credit (Form 8859, line 11)
- j** Possessions tax credit (Form 5735, line 17 or 27)
- k** Credit for fuel from a nonconventional source
- l** Qualified electric vehicle credit (Form 8834, line 20)

m Add lines 8a through 8l.

9 Net income tax. Subtract line 8m from line 7. If zero, skip lines 10 through 13 and enter -0- on line 14.

10 Net regular tax. Subtract line 8m from line 5. If zero or less, enter -0-

11 Enter 25% (.25) of the excess, if any, of line 10 over \$25,000 (see instructions)

12 Tentative minimum tax (see instructions):

- Individuals. Enter the amount from Form 6251, line 33
- Corporations. Enter the amount from Form 4626, line 12
- Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54

13 Enter the greater of line 11 or line 12

14 Subtract line 13 from line 9. If zero or less, enter -0-

15 **Credit allowed for the current year.** Enter the **smaller** of line 4 or line 14 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 14 is smaller than line 4, see instructions **15**

**Credit for Small Employer Pension Plan
Startup Costs**

▶ Attach to your tax return.

OMB No. 1545-1810

2003
Attachment
Sequence No. **130**

Identifying number

Part I Current Year Credit (Members of controlled groups or businesses under common control, see instructions.)

1	Qualified startup costs incurred during the tax year. Do not enter more than \$1,000	1								
2	Enter one-half of line 1	2								
3	Form 8881 credits from pass-through entities:	3								
	<table><tr><td>If you are a—</td><td>Then enter the Form 8881 credits from—</td></tr><tr><td>a Shareholder</td><td>Schedule K-1 (Form 1120S) lines 12d, 12e, or 13</td></tr><tr><td>b Partner</td><td>Schedule K-1 (Form 1065) lines 12c, 12d, or 13</td></tr></table>	If you are a—	Then enter the Form 8881 credits from—	a Shareholder	Schedule K-1 (Form 1120S) lines 12d, 12e, or 13	b Partner	Schedule K-1 (Form 1065) lines 12c, 12d, or 13	4		
If you are a—	Then enter the Form 8881 credits from—									
a Shareholder	Schedule K-1 (Form 1120S) lines 12d, 12e, or 13									
b Partner	Schedule K-1 (Form 1065) lines 12c, 12d, or 13									
4	Add lines 2 and 3	4								
5	Current year credit. Enter the smaller of line 4 or \$500	5								

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

6	Regular tax before credits:	6		
	• Individuals. Enter the amount from Form 1040, line 41			
	• Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return			
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return			
7	Alternative minimum tax:	7		
	• Individuals. Enter the amount from Form 6251, line 35			
	• Corporations. Enter the amount from Form 4626, line 14			
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56			
8	Add lines 6 and 7	8		
9a	Foreign tax credit	9a		
b	Credit for child and dependent care expenses (Form 2441, line 11)	9b		
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)	9c		
d	Education credits (Form 8863, line 18)	9d		
e	Credit for qualified retirement savings contributions (Form 8880, line 14)	9e		
f	Child tax credit (Form 1040, line 49)	9f		
g	Mortgage interest credit (Form 8396, line 11)	9g		
h	Adoption credit (Form 8839, line 18)	9h		
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	9i		
j	Possessions tax credit (Form 5735, line 17 or 27)	9j		
k	Credit for fuel from a nonconventional source	9k		
l	Qualified electric vehicle credit (Form 8834, line 20)	9l		
m	Add lines 9a through 9l	9m		
10	Net income tax. Subtract line 9m from line 8. If zero, skip lines 11 through 14 and enter -0- on line 15	10		
11	Net regular tax. Subtract line 9m from line 6. If zero or less, enter -0-	11		
12	Enter 25% (.25) of the excess, if any, of line 11 over \$25,000 (see instructions)	12		
13	Tentative minimum tax (see instructions):	13		
	• Individuals. Enter the amount from Form 6251, line 33			
	• Corporations. Enter the amount from Form 4626, line 12			
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54			
14	Enter the greater of line 12 or line 13	14		
15	Subtract line 14 from line 10. If zero or less, enter -0-	15		
16	Credit allowed for the current year. Enter the smaller of line 5 or line 15 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 15 is smaller than line 5, see instructions	16		

**Credit for Employer-Provided Childcare
Facilities and Services**

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Part I Current Year Credit (Members of controlled groups or businesses under common control, see instructions.)

1	Qualified childcare facility expenditures paid or incurred (see instructions)	1			
2	Enter 25% (.25) of line 1	2			
3	Qualified childcare resource and referral expenditures paid or incurred	3			
4	Enter 10% (.10) of line 3	4			
5	Form 8882 credits from pass-through entities (if more than one entity, see instructions):				
	If you are a—	Then enter the total of the current year credits from—			
a	Shareholder	Schedule K-1 (Form 1120S), lines 12d, 12e, or 13			
b	Partner	Schedule K-1 (Form 1065), lines 12c, 12d, or 13			
c	Beneficiary	Schedule K-1 (Form 1041), line 14			
		EIN of pass-through entity			
6	Add lines 2, 4, and 5	6			
7	Current year credit. Enter the smaller of line 6 or \$150,000 (S corporations, partnerships, estates, and trusts, see instructions)	7			

Part II Allowable Credit (See Who must file Form 3800 to find out if you complete Part II or file Form 3800.)

8	Regular tax before credits:				
	• Individuals. Enter the amount from Form 1040, line 41				
	• Corporations. Enter the amount from Form 1120, Schedule J, line 3; or the applicable line of your return				
	• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return				
9	Alternative minimum tax:				
	• Individuals. Enter the amount from Form 6251, line 35				
	• Corporations. Enter the amount from Form 4626, line 14				
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56				
10	Add lines 8 and 9	10			
11a	Foreign tax credit	11a			
b	Credit for child and dependent care expenses (Form 2441, line 11)	11b			
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)	11c			
d	Education credits (Form 8863, line 18)	11d			
e	Credit for qualified retirement savings contributions (Form 8880, line 14)	11e			
f	Child tax credit (Form 1040, line 49)	11f			
g	Mortgage interest credit (Form 8396, line 11)	11g			
h	Adoption credit (Form 8839, line 18)	11h			
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	11i			
j	Possessions tax credit (Form 5735, line 17 or 27)	11j			
k	Credit for fuel from a nonconventional source	11k			
l	Qualified electric vehicle credit (Form 8834, line 20)	11l			
m	Add lines 11a through 11l	11m			
12	Net income tax. Subtract line 11m from line 10. If zero, skip lines 13 through 16 and enter -0- on line 17	12			
13	Net regular tax. Subtract line 11m from line 8. If zero or less, enter -0-	13			
14	Enter 25% (.25) of the excess, if any, of line 13 over \$25,000 (see instructions)	14			
15	Tentative minimum tax (see instructions):				
	• Individuals. Enter the amount from Form 6251, line 33				
	• Corporations. Enter the amount from Form 4626, line 12				
	• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54	15			
16	Enter the greater of line 14 or line 15	16			
17	Subtract line 16 from line 12. If zero or less, enter -0-	17			
18	Credit allowed for the current year. Enter the smaller of line 7 or line 17 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 17 is smaller than line 7, see instructions	18			

TEST SCENARIO 2**FORMS REQUIRED:** 1120, Sch D, 4626, 4797, 4562, 6198, 8275**ATTACHMENTS:**

ItemizedOtherCostsSchedule
AnyoneOwned50PctOfCorpVotingStockStatement
ItemizedOtherCurrentLiabilitiesSchedule

BINARY ATTACHMENTS: Scanned Form 8453-C**OTHER:**

PREPARED BY: Electronic Tax Filers, Inc. 999-06-0007/11-0000011
100 Efile Drive
Anytown, TX 78621
Phone Number: 512-555-1212

TAXPAYER NAME: Anywhere Telecommunications, Inc.

TAXPAYER EIN: 11-0000003

TAX PERIOD: Fiscal Year Filer 02/01/03 – 01/31/04

ADDRESS: 33 Any Street
Anytown, ND 58204

DIRECT DEPOSIT: N/A

Details for attachments to Form 1120

Schedule 1, Form 1120, Page 2, Sch A, Line 5, Other Costs
(ItemizedOtherCostsSchedule)

Allocation of Cost of Goods Sold	2,877
Cost of Service	<u>105,665</u>
Total	108,542

Schedule 2, Form 1120, Page 3, Sch K, Line 5, 50% or More of Voting Stock
(AnyoneOwned50PctOfCorpVotingStockStatement)

Name: Counselor #1
Employer ID: 11-0000014

Schedule 3, Form 1120, Page 4, Sch L, Line 18, Other Current Liabilities
(ItemizedOtherCurrentLiabilitiesSchedule)

	Beginning	Ending
Accrued Benefits	146,300	2,844
Miscellaneous	<u>1,173,504</u>	<u>1,253,703</u>
Total	1,319,804	1,256,547

Repeat Group 1, Form 1120, Page 4, Sch M-2, Line 6, Other decreases

Prior Period Adjustment	<u>1,058,746</u>
Total	1,058,746

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2003 or tax year beginning _____, 2003, ending _____, 20 _____

▶ Instructions are separate. See page 20 for Paperwork Reduction Act Notice.

2003

- A Check if a:**
1 Consolidated return (attach Form 851) ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (as defined in Regulations sec. 1.441-3(c)—see instructions) ☐

Use
IRS
label.
Other-
wise,
print or
type.

Name

Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.)

City or town, state, and ZIP code

B Employer identification number

C Date incorporated

D Total assets (see page 8 of instructions)

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change \$

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal		1c	
	2	Cost of goods sold (Schedule A, line 8)								2	
	3	Gross profit. Subtract line 2 from line 1c								3	
	4	Dividends (Schedule C, line 19)								4	
	5	Interest								5	
	6	Gross rents								6	
	7	Gross royalties								7	
	8	Capital gain net income (attach Schedule D (Form 1120))								8	
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)								9	
	10	Other income (see page 9 of instructions—attach schedule)								10	
	11	Total income. Add lines 3 through 10								11	
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)								12	
	13	Salaries and wages (less employment credits)								13	
	14	Repairs and maintenance								14	
	15	Bad debts								15	
	16	Rents								16	
	17	Taxes and licenses								17	
	18	Interest								18	
	19	Charitable contributions (see page 11 of instructions for 10% limitation)								19	
	20	Depreciation (attach Form 4562)		20							
	21	Less depreciation claimed on Schedule A and elsewhere on return		21a						21b	
	22	Depletion								22	
	23	Advertising								23	
	24	Pension, profit-sharing, etc., plans								24	
	25	Employee benefit programs								25	
	26	Other deductions (attach schedule)								26	
	27	Total deductions. Add lines 12 through 26								27	
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11								28	
	29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)		29a							
	b Special deductions (Schedule C, line 20)		29b						29c		
Tax and Payments	30	Taxable income. Subtract line 29c from line 28								30	
	31	Total tax (Schedule J, line 11)								31	
	32	Payments: a 2002 overpayment credited to 2003	32a								
	b	2003 estimated tax payments	32b								
	c	Less 2003 refund applied for on Form 4466	32c	()					
	d	Bal	32d								
	e	Tax deposited with Form 7004	32e								
	f	Credit for tax paid on undistributed capital gains (attach Form 2439)	32f								
	g	Credit for Federal tax on fuels (attach Form 4136). See instructions	32g							32h	
	33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached								33	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed								34		
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid								35		
36	Enter amount of line 35 you want: Credited to 2004 estimated tax ▶ Refunded ▶								36		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no. ()

Schedule A Cost of Goods Sold (see page 14 of instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8	

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (see instructions beginning on page 15)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total. Add lines 1 through 8. See page 16 of instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1			

Schedule E Compensation of Officers (see instructions for line 12, page 1, on page 10 of instructions)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

Schedule J Tax Computation (see page 17 of instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>				
Important: Members of a controlled group, see instructions on page 17.				
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):				
(1) \$	(2) \$	(3) \$		
b Enter the corporation's share of:				
(1) Additional 5% tax (not more than \$11,750)			\$	
(2) Additional 3% tax (not more than \$100,000)			\$	
3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) <input type="checkbox"/>			3	
4 Alternative minimum tax (attach Form 4626)			4	
5 Add lines 3 and 4			5	
6a Foreign tax credit (attach Form 1118)			6a	
b Possessions tax credit (attach Form 5735)			6b	
c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)			6c	
d General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶			6d	
e Credit for prior year minimum tax (attach Form 8827)			6e	
f Qualified zone academy bond credit (attach Form 8860)			6f	
7 Total credits. Add lines 6a through 6f			7	
8 Subtract line 7 from line 5			8	
9 Personal holding company tax (attach Schedule PH (Form 1120))			9	
10 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)			10	
11 Total tax. Add lines 8 through 10. Enter here and on line 31, page 1			11	

Schedule K Other Information (see page 19 of instructions)

	Yes	No		Yes	No
1 Check method of accounting: a <input type="checkbox"/> Cash			7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?		
b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶			If "Yes," enter: (a) Percentage owned ▶		
2 See page 21 of the instructions and enter the:			and (b) Owner's country ▶		
a Business activity code no. ▶			c The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
b Business activity ▶			8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>		
c Product or service ▶			If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)			9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		
If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			10 Enter the number of shareholders at the end of the tax year (if 75 or fewer) ▶		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?			11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>		
If "Yes," enter name and EIN of the parent corporation ▶			If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
5 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)			12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$		
If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶			13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)			If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$		
If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions.					
If this is a consolidated return, answer here for the parent corporation and on Form 851 , Affiliations Schedule, for each subsidiary.					

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated				
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 20 of instructions)

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$				
6	Add lines 1 through 5		9	Add lines 7 and 8	
			10	Income (line 28, page 1)—line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year		5	Distributions: a Cash	
2	Net income (loss) per books			b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3		8	Balance at end of year (line 4 less line 7)	



**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service
Name

Capital Gains and Losses

► Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H,
1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT,
1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

2003

Employer identification number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term gain or (loss) from like-kind exchanges from Form 8824				3
4	Unused capital loss carryover (attach computation)				4 ()
5	Net short-term capital gain or (loss). Combine lines 1 through 4				5

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

6					
7	Enter gain from Form 4797, column (g), line 7 or 9				7
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37				8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824				9
10	Capital gain distributions (see instructions)				10
11	Net long-term capital gain or (loss). Combine lines 6 through 10				11

Part III Summary of Parts I and II

12	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11).	12	
13	Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13	
14	Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	14	

Note: If losses exceed gains, see **Capital losses** in the instructions on page 2.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Schedule

Use Schedule D to report sales and exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets.

Note: For more information, see **Pub. 544, Sales and Other Dispositions of Assets**.

Other Forms the Corporation May Have To File

Use **Form 4797, Sales of Business Property**, to report the following:

- The sale or exchange of:

1. Property used in a trade or business;
 2. Depreciable and amortizable property;
 3. Oil, gas, geothermal, or other mineral property; and
 4. Section 126 property.
- The involuntary conversion (other than from casualty or theft) of property and capital assets held for business or profit.
 - The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of the corporation's trade or business.
 - The section 291 adjustment to section 1250 property.

Use **Form 4684, Casualties and Thefts**, to report involuntary conversions of property due to casualty or theft.

Use **Form 6781, Gains and Losses From Section 1256 Contracts and Straddles**, to report gains and losses from section 1256 contracts and straddles.

Use **Form 8824, Like-Kind Exchanges**, if the corporation made one or more "like-kind" exchanges. A like-kind exchange occurs when the corporation exchanges business or investment property for property of a like kind. For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 3 or line 9.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Part I Election To Expense Certain Tangible Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	\$100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C—Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)							25	
26 Property used more than 50% in a qualified business use (see page 7 of the instructions):								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions):								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles—see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32.												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions):					
43 Amortization of costs that began before your 2003 tax year.					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					44



Department of the Treasury
Internal Revenue Service▶ See separate instructions.
▶ Attach to the corporation's tax return.

2003

Name		Employer identification number
Note: See page 1 of the instructions to find out if the corporation is a small corporation exempt from the AMT under section 55(e).		
1	Taxable income or (loss) before net operating loss deduction	1
2	Adjustments and preferences:	
a	Depreciation of post-1986 property	2a
b	Amortization of certified pollution control facilities.	2b
c	Amortization of mining exploration and development costs.	2c
d	Amortization of circulation expenditures (personal holding companies only)	2d
e	Adjusted gain or loss	2e
f	Long-term contracts	2f
g	Merchant marine capital construction funds.	2g
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h
i	Tax shelter farm activities (personal service corporations only)	2i
j	Passive activities (closely held corporations and personal service corporations only)	2j
k	Loss limitations	2k
l	Depletion	2l
m	Tax-exempt interest income from specified private activity bonds	2m
n	Intangible drilling costs.	2n
o	Other adjustments	2o
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3
4	Adjusted current earnings (ACE) adjustment:	
a	ACE from line 10 of the worksheet on page 11 of the instructions	4a
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See examples on page 6 of the instructions	4b
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5
6	Alternative tax net operating loss deduction (see page 7 of the instructions).	6
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see page 7 of the instructions	7
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):	
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0-	8a
b	Multiply line 8a by 25% (.25).	8b
c	Exemption. Subtract line 8b from \$40,000 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0-	8c
9	Subtract line 8c from line 7. If zero or less, enter -0-	9
10	Multiply line 9 by 20% (.20)	10
11	Alternative minimum tax foreign tax credit (see page 7 of the instructions)	11
12	Tentative minimum tax. Subtract line 11 from line 10.	12
13	Regular tax liability before all credits except the foreign tax credit and possessions tax credit	13
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 4, or the appropriate line of the corporation's income tax return	14



Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2003

Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

1 Enter the gross proceeds from sales or exchanges reported to you for 2003 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (See instructions.)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) for entire year. Subtract (f) from the sum of (d) and (e)	(h) Post-May 5, 2003, gain or (loss)* (see below)
2							
3	Gain, if any, from Form 4684, line 39					3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37					4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824					5	
6	Gain, if any, from line 32, from other than casualty or theft					6	
7	Combine lines 2 through 6 in columns (g) and (h). Enter the gain or (loss) here and on the appropriate line as follows:					7	
Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6, or Form 1120S, Schedule K, line 5. Skip lines 8, 9, 11, and 12 below.							
All others. If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, 11, and 12 below.							
8	Nonrecaptured net section 1231 losses from prior years (see instructions)					8	
9	Subtract line 8 from line 7. If line 9, column (g) is zero or less, enter -0- in column (g). If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below and include the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D (see instructions)					9	

*Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain and the amount, if any, on line 8, column (g), does not exceed the gain on line 7, column (g). Include in column (h) all gains and losses from column (g) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do not include gain attributable to unrecaptured section 1250 gain.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

11	Loss, if any, from line 7, column (g)					11	()
12	Gain, if any, from line 7, column (g) or amount from line 8, column (g), if applicable					12	
13	Gain, if any, from line 31					13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a					14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36					15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824					16	
17	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)					17	
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows:					18	
a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed.							
b For individual returns:							
(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions							
						18b(1)	
(2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14							
						18b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6, column (g), and if applicable, column (h)	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation. See instructions	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35



At-Risk Limitations

- ▶ **Attach to your tax return.**
▶ **See separate instructions.**

Identifying number

Description of activity (see page 2 of the instructions)

Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts
(see page 2 of the instructions).

1	Ordinary income (loss) from the activity (see page 2 of the instructions)	1		
2	Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on:			
a	Schedule D	2a		
b	Form 4797	2b		
c	Other form or schedule	2c		
3	Other income and gains from the activity, from Schedule K-1 of Form 1065, Form 1065-B, or Form 1120S, that were not included on lines 1 through 2c	3		
4	Other deductions and losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 2c	4	()
5	Current year profit (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before completing the rest of this form	5		

Part II Simplified Computation of Amount At Risk. See page 3 of the instructions before completing this part.

6	Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. Do not enter less than zero	6		
7	Increases for the tax year (see page 4 of the instructions)	7		
8	Add lines 6 and 7	8		
9	Decreases for the tax year (see page 4 of the instructions)	9		
10a	Subtract line 9 from line 8	10a		
b	If line 10a is more than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see Pub. 925 for information on the recapture rules	10b		

Part III Detailed Computation of Amount At Risk. If you completed Part III of Form 6198 for 2002, see page 4 of the instructions.

11	Investment in the activity (or in your interest in the activity) at the effective date. Do not enter less than zero	11		
12	Increases at effective date	12		
13	Add lines 11 and 12	13		
14	Decreases at effective date	14		
15	Amount at risk (check box that applies):			
a	<input type="checkbox"/> At effective date. Subtract line 14 from line 13. Do not enter less than zero.	15		
b	<input type="checkbox"/> From 2002 Form 6198, line 19b. Do not enter the amount from line 10b of the 2002 form.			
16	Increases since (check box that applies):			
a	<input type="checkbox"/> Effective date	16		
b	<input type="checkbox"/> The end of your 2002 tax year	17		
17	Add lines 15 and 16	17		
18	Decreases since (check box that applies):			
a	<input type="checkbox"/> Effective date	18		
b	<input type="checkbox"/> The end of your 2002 tax year			
19a	Subtract line 18 from line 17	19a		
b	If line 19a is more than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see Pub. 925 for information on the recapture rules	19b		

Part IV Deductible Loss

20	Amount at risk. Enter the larger of line 10b or line 19b	20		
21	Deductible loss. Enter the smaller of the line 5 loss (treated as a positive number) or line 20. See page 8 of the instructions to find out how to report any deductible loss and any carryover.	21	()

Note: If the loss is from a passive activity, see the Instructions for **Form 8582**, *Passive Activity Loss Limitations*, or the Instructions for **Form 8810**, *Corporate Passive Activity Loss and Credit Limitations*, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules, report only that part on Form 8582 or Form 8810, whichever applies.



Disclosure Statement

Do not use this form to disclose items or positions that are contrary to Treasury regulations. Instead, use Form 8275-R, Regulation Disclosure Statement.
See separate instructions.

► Attach to your tax return.

OMB No. 1545-0889

Attachment
Sequence No. **92**

Name(s) shown on return

Identifying number shown on return

Part I General Information (see instructions)

(a) Rev. Rul., Rev. Proc., etc.	(b) Item or Group of Items	(c) Detailed Description of Items	(d) Form or Schedule	(e) Line No.	(f) Amount
1					
2					
3					

Part II Detailed Explanation (see instructions)

1	
2	
3	

Part III Information About Pass-Through Entity. To be completed by partners, shareholders, beneficiaries, or residual interest holders.

Complete this part only if you are making adequate disclosure for a pass-through item.

Note: A pass-through entity is a partnership, S corporation, estate, trust, regulated investment company (RIC), real estate investment trust (REIT), or real estate mortgage investment conduit (REMIC).

1 Name, address, and ZIP code of pass-through entity	2 Identifying number of pass-through entity
	3 Tax year of pass-through entity / / to / /
	4 Internal Revenue Service Center where the pass-through entity filed its return

Part IV Explanations *(continued from Parts I and/or II)*

Test Case
Do Not Process



TEST SCENARIO 3**FORMS REQUIRED:** 1120, 4562, 5472 (2), 8833, 8886**ATTACHMENTS:**

ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedOtherCostsSchedule
AnyoneOwned50PctOf"CorpVotingStockStatement
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherAssetsSchedule
ExchangeRateSchedule (2)

BINARY ATTACHMENTS:**OTHER:** Practitioner PIN

PREPARED BY: Electronic Tax Filers, Inc. 999-06-0007, 11-0000011
100 Efile Drive
Anytown, TX 78621
Phone Number: 512-555-1212

TAXPAYER NAME: Mail Order Trinkets, Inc.
TAXPAYER EIN: 11-0000004
TAX PERIOD: Fiscal Year Filer 02/01/03 – 01/31/04

ADDRESS: 34 Any Street
Anytown, IL 60615

Details for attachments to Forms 1120, 4562 and 5472s**Schedule 1, Form 1120, Page 1, Line 10, Other Income**
(ItemizedOtherIncomeSchedule)

Miscellaneous Income	<u>169,701</u>
Total	169,701

Schedule 2, Form 1120, Page 1, Line 26, Other Deductions
(ItemizedOtherDeductionsSchedule)

Operation Costs	8,202
Administration Costs	<u>147,903</u>
Total	156,105

Schedule 3, Form 1120, Page 2, Sch A, Line 5, Other Costs
(ItemizedOtherCostsSchedule)

Cost of Sales	313,197
Manufacturing Costs	<u>109,192</u>
Total	422,389

Schedule 4, Form 1120, Page 3, Sch K, Line 5, 50% or More of Voting Stock
(AnyoneOwned50PctOfCorpVotingStockStatement)

Name: Souvenir Holdings, S.A.

Schedule 5, Form 1120, Page 4, Sch L, Line 6, Other Current Assets
(ItemizedOtherCurrentAssetsSchedule)

	Beginning	Ending
Advance Payment on Novelty Sales	<u>103,040</u>	<u>0</u>
Total	103,040	0

Schedule 6, Form 1120, Page 4, Sch L, Line 14, Other Assets
(ItemizedOtherAssetsSchedule)

	Beginning	Ending
Novelty Reserves	<u>7,174</u>	<u>6,895</u>
Total	7,174	6,895

Schedule 7, Form 5472-Souvenir Holdings, S.A. Exchange Rate Schedule
(ExchangeRateSchedule)

1.0860 Line 18b Euro

Schedule 8, Form 5472-Novelty Sales Exchange Rate Schedule
(ExchangeRateSchedule)

1.0860 Line 1 Euro
1.0860 Line 7b Euro
1.0860 line 11 Euro
1.0860 line 18b Euro

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2003 or tax year beginning _____, 2003, ending _____, 20_____

▶ Instructions are separate. See page 20 for Paperwork Reduction Act Notice.

2003

A Check if a:

- 1 Consolidated return (attach Form 851) ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (as defined in Regulations sec. 1.441-3(c)—see instructions) ☐

Use
IRS
label.
Other-
wise,
print or
type.

Name

Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.)

City or town, state, and ZIP code

B Employer identification number

C Date incorporated

D Total assets (see page 8 of instructions)

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change \$

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal	▶	1c	
	2	Cost of goods sold (Schedule A, line 8)		2							
	3	Gross profit. Subtract line 2 from line 1c		3							
	4	Dividends (Schedule C, line 19)		4							
	5	Interest		5							
	6	Gross rents		6							
	7	Gross royalties		7							
	8	Capital gain net income (attach Schedule D (Form 1120))		8							
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		9							
	10	Other income (see page 9 of instructions—attach schedule)		10							
	11	Total income. Add lines 3 through 10		11							
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		12							
	13	Salaries and wages (less employment credits)		13							
	14	Repairs and maintenance		14							
	15	Bad debts		15							
	16	Rents		16							
	17	Taxes and licenses		17							
	18	Interest		18							
	19	Charitable contributions (see page 11 of instructions for 10% limitation)		19							
	20	Depreciation (attach Form 4562)	20								
	21	Less depreciation claimed on Schedule A and elsewhere on return	21a								
	22	Depletion		22							
	23	Advertising		23							
	24	Pension, profit-sharing, etc., plans		24							
	25	Employee benefit programs		25							
	26	Other deductions (attach schedule)		26							
	27	Total deductions. Add lines 12 through 26		27							
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28							
	29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)	29a								
	b Special deductions (Schedule C, line 20)	29b									
Tax and Payments	30	Taxable income. Subtract line 29c from line 28		30							
	31	Total tax (Schedule J, line 11)		31							
	32	Payments: a 2002 overpayment credited to 2003	32a								
	b	2003 estimated tax payments	32b								
	c	Less 2003 refund applied for on Form 4466	32c	()	d	Bal	▶	32d		
	e	Tax deposited with Form 7004		32e							
	f	Credit for tax paid on undistributed capital gains (attach Form 2439)		32f							
	g	Credit for Federal tax on fuels (attach Form 4136). See instructions		32g							
	33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached		33							
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		34							
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35								
36	Enter amount of line 35 you want: Credited to 2004 estimated tax		36								

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return
with the preparer shown below
(see instructions)? ☐ Yes ☐ NoPaid
Preparer's
Use OnlyPreparer's
signature

Date

Check if
self-employed ☐

Preparer's SSN or PTIN

Firm's name (or
yours if self-employed),
address, and ZIP code

EIN

Phone no. ()

Schedule A Cost of Goods Sold (see page 14 of instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8		

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (see instructions beginning on page 15)

	(a) Dividends received	(b) %	(c) Special deductions (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total. Add lines 1 through 8. See page 16 of instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1			

Schedule E Compensation of Officers (see instructions for line 12, page 1, on page 10 of instructions)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					

Schedule J Tax Computation (see page 17 of instructions)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>				
Important: Members of a controlled group, see instructions on page 17.				
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):				
(1) \$	(2) \$	(3) \$		
b Enter the corporation's share of:				
(1) Additional 5% tax (not more than \$11,750)			\$	
(2) Additional 3% tax (not more than \$100,000)			\$	
3 Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 17) <input type="checkbox"/>			3	
4 Alternative minimum tax (attach Form 4626)			4	
5 Add lines 3 and 4			5	
6a Foreign tax credit (attach Form 1118)			6a	
b Possessions tax credit (attach Form 5735)			6b	
c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> OEV credit (attach Form 8834)			6c	
d General business credit. Check box(es) and indicate which forms are attached. <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶			6d	
e Credit for prior year minimum tax (attach Form 8827)			6e	
f Qualified zone academy bond credit (attach Form 8860)			6f	
7 Total credits. Add lines 6a through 6f			7	
8 Subtract line 7 from line 5			8	
9 Personal holding company tax (attach Schedule PH (Form 1120))			9	
10 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)			10	
11 Total tax. Add lines 8 through 10. Enter here and on line 31, page 1			11	

Schedule K Other Information (see page 19 of instructions)

1 Check method of accounting: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No	7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶	Yes	No
2 See page 21 of the instructions and enter the: a Business activity code no. ▶ b Business activity ▶ c Product or service ▶			c The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached ▶		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			8 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶			9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		
5 At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶			10 Enter the number of shareholders at the end of the tax year (if 75 or fewer) ▶		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 , Affiliations Schedule, for each subsidiary.			11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3)(i) or (ii) must be attached or the election will not be valid.		
			12 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$		
			13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$		

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Note: The corporation is not required to complete Schedules L, M-1, and M-2 if Question 13 on Schedule K is answered "Yes."

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock				
23	Additional paid-in capital				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated				
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock	()		()	
28	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see page 20 of instructions)

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contributions \$	
c	Travel and entertainment \$				
6	Add lines 1 through 5		9	Add lines 7 and 8	
			10	Income (line 28, page 1)—line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year		5	Distributions: a Cash	
2	Net income (loss) per books			b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3		8	Balance at end of year (line 4 less line 7)	



Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

2003Attachment
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

Part I Election To Expense Certain Tangible Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	\$100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)							25	
26 Property used more than 50% in a qualified business use (see page 7 of the instructions):								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions):								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles—see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32.												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions):					
43 Amortization of costs that began before your 2003 tax year.					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					44



**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business**
(Under Sections 6038A and 6038C of the Internal Revenue Code)

OMB No. 1545-0805

For tax year of the reporting corporation beginning and ending

Note: Enter all information in English and money items in U.S. dollars.**Part I Reporting Corporation** (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation		1b Employer identification number	
Number, street, and room or suite no. (if a P.O. box, see instructions)		1c Total assets	
City or town, state, and ZIP code (If a foreign address, see instructions.)		\$	
1d Principal business activity ▶		1e Principal business activity code ▶	
1f Total value of gross payments made or received (see instructions) reported on this Form 5472		1g Total number of Forms 5472 filed for the tax year	
\$		\$	
1i Check here if this is a consolidated filing of Form 5472 . . . ▶ <input type="checkbox"/>	1j Country of incorporation	1k Country(ies) under whose laws the reporting corporation files an income tax return as a resident	1l Principal country(ies) where business is conducted
2 Check here if, at any time during the tax year, any foreign person owned, directly or indirectly, at least 50% of (a) the total voting power of all classes of the stock of the reporting corporation entitled to vote, or (b) the total value of all classes of stock of the reporting corporation . . . ▶ <input type="checkbox"/>			

Part II 25% Foreign Shareholder (See instructions.)

1a Name and address of direct 25% foreign shareholder			1b U.S. identifying number, if any
1c Principal country(ies) where business is conducted	1d Country of citizenship, organization, or incorporation	1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident	
2a Name and address of direct 25% foreign shareholder			2b U.S. identifying number, if any
2c Principal country(ies) where business is conducted	2d Country of citizenship, organization, or incorporation	2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident	
3a Name and address of ultimate indirect 25% foreign shareholder			3b U.S. identifying number, if any
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation	3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	
4a Name and address of ultimate indirect 25% foreign shareholder			4b U.S. identifying number, if any
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation	4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

Part III Related Party (See instructions.)Check applicable box: Is the related party a ☐ foreign person or ☐ U.S. person?

All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party		1b U.S. identifying number, if any
1c Principal business activity ▶		1d Principal business activity code ▶
1e Relationship—Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder		
1f Principal country(ies) where business is conducted	1g Country(ies) under whose laws the related party files an income tax return as a resident	

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party**Caution:** Part IV **must** be completed if the "foreign person" box is checked in the heading for Part III.If estimates are used, check here ☐ . (See instructions.)

1	Sales of stock in trade (inventory)	1
2	Sales of tangible property other than stock in trade	2
3	Rents and royalties received (for other than intangible property rights)	3
4	Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	4
5	Consideration received for technical, managerial, engineering, construction, scientific, or like services	5
6	Commissions received	6
7	Amounts borrowed (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶	7b
8	Interest received	8
9	Premiums received for insurance or reinsurance	9
10	Other amounts received (see instructions)	10
11	Total. Combine amounts on lines 1 through 10	11
12	Purchases of stock in trade (inventory)	12
13	Purchases of tangible property other than stock in trade	13
14	Rents and royalties paid (for other than intangible property rights)	14
15	Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	15
16	Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16
17	Commissions paid	17
18	Amounts loaned (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶	18b
19	Interest paid	19
20	Premiums paid for insurance or reinsurance	20
21	Other amounts paid (see instructions)	21
22	Total. Combine amounts on lines 12 through 21	22

Part V Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related PartyDescribe these transactions on an attached separate sheet and check here. ☐ (See instructions.)**Part VI Additional Information**

All reporting corporations must complete Part VI.

1	Does the reporting corporation import goods from a foreign related party?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2a	If "Yes," is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If "No," do not complete b and c below.		
b	If "Yes," attach a statement explaining the reason or reasons for such difference.	
c	If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?	<input type="checkbox"/> Yes <input type="checkbox"/> No

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Changes to Note

Lines 1h and 2 have been added to Part I of the form. All reporting corporations must complete line 1h and consider line 2.

Purpose of FormUse Form 5472 to provide information required under sections 6038A and 6038C when reportable transactions occur during the tax year of a reporting corporation with a foreign or domestic related party. See **Definitions** below.**Definitions****Reporting corporation.** A reporting corporation is either:

- A 25% foreign-owned U.S. corporation **or**
- A foreign corporation engaged in a trade or business within the United States.

25% foreign owned. A corporation is 25% foreign owned if it has at least one direct or indirect 25% foreign shareholder at any time during the tax year.**25% foreign shareholder.** Generally, a foreign person (defined on page 3) is a 25% foreign shareholder if the person owns, directly or indirectly, at least 25% of either:

- The total voting power of all classes of stock entitled to vote **or**
- The total value of all classes of stock of the corporation.

The constructive ownership rules of section 318 apply with the following modifications to determine if a corporation is 25% foreign owned. Substitute "10%" for "50%" in section 318(a)(2)(C). Do not apply sections 318(a)(3)(A), (B), and (C) so as to consider a U.S. person as owning stock that is owned by a foreign person.

Related party. A related party is:

- Any direct or indirect 25% foreign shareholder of the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to a 25% foreign shareholder of the reporting corporation **or**

- Any other person who is related to the reporting corporation within the meaning of section 482 and the related regulations.

"Related party" does not include any corporation filing a consolidated Federal income tax return with the reporting corporation.

The rules in section 318 apply to the definition of related party with the modifications listed under the definition of **25% foreign shareholder** above.**Reportable transaction.** A reportable transaction is:

- Any type of transaction listed in Part IV (e.g., sales, rents, etc.) for which monetary consideration (including U.S. and foreign currency) was the sole consideration paid or received during the reporting corporation's tax year **or**
- Any transaction or group of transactions listed in Part IV, if:

1. Any part of the consideration paid or received was not monetary consideration **or**
2. If less than full consideration was paid or received.

**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business****(Under Sections 6038A and 6038C of the Internal Revenue Code)**

For tax year of the reporting corporation beginning and ending

Note: Enter all information in English and money items in U.S. dollars.

OMB No. 1545-0805

Part I Reporting Corporation (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation		1b Employer identification number	
Number, street, and room or suite no. (if a P.O. box, see instructions)		1c Total assets	
City or town, state, and ZIP code (If a foreign address, see instructions.)		\$	
1d Principal business activity ▶		1e Principal business activity code ▶	
1f Total value of gross payments made or received (see instructions) reported on this Form 5472	1g Total number of Forms 5472 filed for the tax year	1h Total value of gross payments made or received (see instructions) reported on all Forms 5472	
\$		\$	
1i Check here if this is a consolidated filing of Form 5472 . . . ▶ <input type="checkbox"/>	1j Country of incorporation	1k Country(ies) under whose laws the reporting corporation files an income tax return as a resident	1l Principal country(ies) where business is conducted
2 Check here if, at any time during the tax year, any foreign person owned, directly or indirectly, at least 50% of (a) the total voting power of all classes of the stock of the reporting corporation entitled to vote, or (b) the total value of all classes of stock of the reporting corporation . . . ▶ <input type="checkbox"/>			

Part II 25% Foreign Shareholder (See instructions.)

1a Name and address of direct 25% foreign shareholder		1b U.S. identifying number, if any	
1c Principal country(ies) where business is conducted	1d Country of citizenship, organization, or incorporation	1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident	
2a Name and address of direct 25% foreign shareholder		2b U.S. identifying number, if any	
2c Principal country(ies) where business is conducted	2d Country of citizenship, organization, or incorporation	2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident	
3a Name and address of ultimate indirect 25% foreign shareholder		3b U.S. identifying number, if any	
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation	3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	
4a Name and address of ultimate indirect 25% foreign shareholder		4b U.S. identifying number, if any	
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation	4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident	

Part III Related Party (See instructions.)Check applicable box: Is the related party a ☐ foreign person or ☐ U.S. person?

All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party		1b U.S. identifying number, if any	
1c Principal business activity ▶		1d Principal business activity code ▶	
1e Relationship—Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder			
1f Principal country(ies) where business is conducted	1g Country(ies) under whose laws the related party files an income tax return as a resident		

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party

Caution: Part IV **must** be completed if the "foreign person" box is checked in the heading for Part III.
If estimates are used, check here ☐ . (See instructions.)

1	Sales of stock in trade (inventory)	1	
2	Sales of tangible property other than stock in trade	2	
3	Rents and royalties received (for other than intangible property rights)	3	
4	Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	4	
5	Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	
6	Commissions received	6	
7	Amounts borrowed (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶	7b	
8	Interest received	8	
9	Premiums received for insurance or reinsurance	9	
10	Other amounts received (see instructions)	10	
11	Total. Combine amounts on lines 1 through 10	11	
12	Purchases of stock in trade (inventory)	12	
13	Purchases of tangible property other than stock in trade	13	
14	Rents and royalties paid (for other than intangible property rights)	14	
15	Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	15	
16	Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	
17	Commissions paid	17	
18	Amounts loaned (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶	18b	
19	Interest paid	19	
20	Premiums paid for insurance or reinsurance	20	
21	Other amounts paid (see instructions)	21	
22	Total. Combine amounts on lines 12 through 21	22	

Part V Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party

Describe these transactions on an attached separate sheet and check here. ☐ (See instructions.)

Part VI Additional Information

All reporting corporations must complete Part VI.

1	Does the reporting corporation import goods from a foreign related party?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2a	If "Yes," is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "No," do not complete b and c below.	
b	If "Yes," attach a statement explaining the reason or reasons for such difference.	
c	If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?	<input type="checkbox"/> Yes <input type="checkbox"/> No

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Changes to Note

Lines 1h and 2 have been added to Part I of the form. All reporting corporations must complete line 1h and consider line 2.

Purpose of Form

Use Form 5472 to provide information required under sections 6038A and 6038C when reportable transactions occur during the tax year of a reporting corporation with a foreign or domestic related party. See **Definitions** below.

Definitions

Reporting corporation. A reporting corporation is either:

- A 25% foreign-owned U.S. corporation **or**
- A foreign corporation engaged in a trade or business within the United States.

25% foreign owned. A corporation is 25% foreign owned if it has at least one direct or indirect 25% foreign shareholder at any time during the tax year.

25% foreign shareholder. Generally, a foreign person (defined on page 3) is a 25% foreign shareholder if the person owns, directly or indirectly, at least 25% of either:

- The total voting power of all classes of stock entitled to vote **or**
- The total value of all classes of stock of the corporation.

The constructive ownership rules of section 318 apply with the following modifications to determine if a corporation is 25% foreign owned. Substitute "10%" for "50%" in section 318(a)(2)(C). Do not apply sections 318(a)(3)(A), (B), and (C) so as to consider a U.S. person as owning stock that is owned by a foreign person.

Related party. A related party is:

- Any direct or indirect 25% foreign shareholder of the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to a 25% foreign shareholder of the reporting corporation **or**

- Any other person who is related to the reporting corporation within the meaning of section 482 and the related regulations.

"Related party" does not include any corporation filing a consolidated Federal income tax return with the reporting corporation.

The rules in section 318 apply to the definition of related party with the modifications listed under the definition of **25% foreign shareholder** above.

Reportable transaction. A reportable transaction is:

- Any type of transaction listed in Part IV (e.g., sales, rents, etc.) for which monetary consideration (including U.S. and foreign currency) was the sole consideration paid or received during the reporting corporation's tax year **or**
- Any transaction or group of transactions listed in Part IV, if:

1. Any part of the consideration paid or received was not monetary consideration **or**
2. If less than full consideration was paid or received.

▶ Attach to your tax return.

Name	U.S. taxpayer identifying number
------	----------------------------------

Address in country of residence

Address in the United States

Check one or both of the following boxes as applicable:

- The taxpayer is disclosing a treaty-based return position as required by section 6114 ► ☐
- The taxpayer is a dual-resident taxpayer and is disclosing a treaty-based return position as required by Regulations section 301.7701(b)-7 ► ☐

Check this box if the taxpayer is a U.S. citizen or resident or is incorporated in the United States ☐

- | | |
|---|---|
| <p>1 Enter the specific treaty position relied on:</p> <p>a Treaty country</p> <p>b Article(s)</p> | <p>3 Name, identifying number (if available to the taxpayer), and address in the United States of the payor of the income (if fixed or determinable annual or periodical). See instructions.</p> |
| <p>2 List the Internal Revenue Code provision(s) overruled or modified by the treaty-based return position</p> | |
| <p>4 List the provision(s) of the limitation on benefits article (if any) in the treaty that the taxpayer relies on to prevent application of that article ►</p> | |
| <p>5 Explain the treaty-based return position taken. Include a brief summary of the facts on which it is based. Also, list the nature and amount (or a reasonable estimate) of gross receipts, each separate gross payment, each separate gross income item, or other item (as applicable) for which the treaty benefit is claimed.</p> | |

Reportable Transaction Disclosure Statement

OMB No. 1545-1800

- **Attach to your tax return.**
► **See separate instructions.**

Attachment
Sequence No. **137**

Name(s) shown on return	Identifying number
-------------------------	--------------------

Number, street, and room or suite no.

City or town, state, and ZIP code

1a Name of reportable transaction	1b Tax shelter registration number (11-digits) (if any)
--	--

2 Identify the type of reportable transaction. Check the box(es) that apply. (see instructions)

- | | |
|---|--|
| a <input type="checkbox"/> Listed transaction | d <input type="checkbox"/> Loss transaction |
| b <input type="checkbox"/> Confidential transaction | e <input type="checkbox"/> Transaction with significant book-tax difference |
| c <input type="checkbox"/> Transaction with contractual protection | f <input type="checkbox"/> Transaction with brief asset holding period |

3 If the transaction is a "listed transaction" or substantially similar to a listed transaction, identify the listed transaction (see instructions) ►

4 Enter the number of transactions reported on this form ►

5 If you invested in the transaction through another entity, such as a partnership, an S corporation, or a foreign corporation, identify the name and employer identification number (EIN) (if any) of that entity ►

6 Enter in **columns (a) and (b)** below, the name and address of each person to whom you paid a fee with regard to the transaction if that person promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction.

(a) Name	(b) Address

- 7 Facts.** Describe the facts of the transaction that relate to the expected tax benefits, including your participation in the transaction.

- 8 Expected tax benefits.** Describe the expected tax benefits, including deductions, exclusions from gross income, nonrecognition of gain, tax credits, adjustments (or the absence of adjustments) to the basis of property, etc. See instructions for more details.

- 9 Estimated tax benefits.** Provide a separate estimate of the amount of each of the expected tax benefits described above for each affected tax year (including prior and future years).



TEST SCENARIO 4**FORMS REQUIRED:** 1120S, 3115, 4562, 4797, Sch K-1(5), 8825, 970**ATTACHMENTS:**

CharitableContributionsSchedule
ItemizedOtherIncomeSchedule2
ItemizedOtherDeductionsSchedule2
ItemizedOtherCostsSchedule
DetailedAnalysisOfAllInventoriesStatement
AdjNotIncludedInIncomeOverThreeYearExplanStatement
PoolingMethodStatement
CostSystemUsedStatement
OverallMethodOfAccountingAttachment
TradeOrBusinessStatement

BINARY ATTACHMENTS: Scanned 8453-S**OTHER:**

PREPARED BY: Electronic Tax Filers, Inc. 999-06-0007, 11-0000011
100 Efile Drive
Anytown, TX 78621
Phone Number: 512-555-1212

TAXPAYER NAME: Greater Value, Inc.
TAXPAYER EIN: 11-0000006
TAX PERIOD: Calendar Year

ADDRESS: 36 Any Street
Anytown, CA 90062

Details for attachments to Forms 1120S, 970, 3115**Attachment 1, Form 1120S, Page 1, Line 5, Other Income (ItemizedOtherIncomeSchedule2)**

Sec 481 Adj – Bad Debts	17,050
Miscellaneous Income	<u>208,906</u>
Total to Form 1120S, Page 1, Line 5	225,956

**Attachment 2, Form 1120S, Page 1, Line 19, Other Deductions
(ItemizedOtherDeductionsSchedule2)**

Amortization	630,000
Insurance	2,371,517
Professional Services	1,189,883
Telephone Expenses	1,607,747
Franchise Fees	<u>948,372</u>
Total	6,747,519

Attachment 3, Form 1120S, Page 2, Sch A, Line 5, Other Costs (ItemizedOtherCostsSchedule)

Operating Supplies & Expenses	6,928,400
Permits & Local Taxes	108,989
Equipment Rentals	577,403
Cost of Construction	<u>6,080,530</u>
Total	13,695,322

Attachment 4, Form 1120S, Page 3, Sch K, Line 7, *Charitable Contributions*
(CharitableContributionSchedule)

Contributions	50% Limit	<u>49,328</u>
Total		49,328

Repeat Group 1, Form 1120S, Page 4, Sch M-1, Line 2, *Taxable Income Not Recorded on Books*
(IncMNotRecordedItemized)

Sec 481 Adj – Bad Debts	17,050
Miscellaneous Sales	899,703
Excess Book Over Tax Basis of Assets Sold	<u>2,357,857</u>
Total	3,274,610

Attachment 5, Form 970, Part 1, Line A, Detailed Analysis of All Inventories Statement
(DetailedAnalysisOfAllInventoriesStatment)

Testers, enter this statement here for your test returns. For purposes of this test, actual detailed information is not being provided. It is expected that the taxpayer filing this form will provide the appropriate information.

Attachment 6, Form 970, Part II, Line 3, Adjustment Not Included in Income Over 3 Years
Explanation (AdjNotIncludedInIncomeOverThreeYearExplnStatement)

Testers, enter this statement here for your test returns. For purposes of this test, actual detailed information is not being provided. It is expected that the taxpayer filing this form will provide the appropriate information.

Attachment 7, Form 970, Part II, Line 9, Pooling Method Statement (PoolingMethodStatement)

Testers, enter this statement here for your test returns. For purposes of this test, actual detailed information is not being provided. It is expected that the taxpayer filing this form will provide the appropriate information.

Attachment 8, Form 970, Part II, Line 11, Cost System Used Statement
(CostSystemUsedStatement)

Testers, enter this statement here for your test returns. For purposes of this test, actual detailed information is not being provided. It is expected that the taxpayer filing this form will provide the appropriate information.

Attachment 9, Form 3115, Line 12, Overall Method of Accounting Attachment
(OverallMethodOfAccountingAttachment)

Item being changed: **Bad Debts**

Present Method of item being changed: **Reserved Method**

Proposed Method of item being changed: **Specific Charge Off**

Present Overall Method Of Accounting: **Accrual**

Attachment 10, Form 3115, Part 2, Line 13, Trade or Business Statement
(TradeOrBusinessStatement)

Testers, enter this statement here for your test returns. For purposes of this test, actual detailed information is not being provided. It is expected that the taxpayer filing this form will provide the appropriate information.

Attachment 11, Form 3115, Part IV, Line 25, Computation of Section 481a Adjustment Statement
(ComputationOfSection481aAdjustmentStatement)

Testers, enter this statement here for your test returns. For purposes of this test, actual detailed information is not being provided. It is expected that the taxpayer filing this form will provide the appropriate information.

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.

▶ See separate instructions.

2003

For calendar year 2003, or tax year beginning , 2003, and ending , 20

A Effective date of election as an S corporation	Use IRS label. Otherwise, print or type.	Name	C Employer identification number
B Business code no. (see pages 29-31)		Number, street, and room or suite no. (If a P.O. box, see page 11 of the instructions.)	D Date incorporated
		City or town, state, and ZIP code	E Total assets (see page 12) \$

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter number of shareholders in the corporation at end of the tax year ▶

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See page 12 of the instructions for more information.

Income	1a Gross receipts or sales		b Less returns and allowances		c Bal ▶	1c	
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule)					5	
	6 Total income (loss). Combine lines 3 through 5					▶	6
Deductions (see page 13 of the instructions for limitations)	7 Compensation of officers					7	
	8 Salaries and wages (less employment credits)					8	
	9						
	10 Bad debts					10	
	11 Rents					11	
	12 Taxes and licenses					12	
	13 Interest					13	
	14a Depreciation (if required, attach Form 4562)		14a				
	b Depreciation claimed on Schedule A and elsewhere on return		14b				
	c Subtract line 14b from line 14a					14c	
	15 Depletion (Do not deduct oil and gas depletion.)					15	
	16 Advertising					16	
	17 Pension, profit-sharing, etc., plans					17	
	18 Employee benefit programs					18	
	19 Other deductions (attach schedule)					19	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19					▶	20	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6						21	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)		22a				
	b Tax from Schedule D (Form 1120S)		22b				
	c Add lines 22a and 22b (see page 17 of the instructions for additional taxes)					22c	
	23 Payments: a 2002 estimated tax payments and amount applied from 2001 return		23a				
	b Tax deposited with Form 7004		23b				
	c Credit for Federal tax paid on fuels (attach Form 4136)		23c				
	d Add lines 23a through 23c					23d	
	24 Estimated tax penalty. (See page 18 of instructions). Check if Form 2220 is attached					24	
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 of the instructions for depository method of payment					25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					26	
27 Enter amount of line 26 you want: Credited to 2003 estimated tax ▶				Refunded ▶	27		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Paid

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Preparer's

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no. ()

Use Only

Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory: (i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) ▶ _____

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d _____

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information (see page 19 of instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ _____		
2 See pages 31 through 33 of the instructions and enter the: (a) Business activity ▶ _____ (b) Product or service ▶ _____		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		
5 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 17 of the instructions) ▶ \$ _____		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 18 of the instructions) ▶ <input type="checkbox"/>		
9 Are the corporation's total receipts (see page 29 of the instructions) for the tax year and total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

	(a) Pro rata share items	(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21)	1
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a Gross income from other rental activities 3a	
	b Expenses from other rental activities (attach schedule) 3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss):	
	a Interest income	4a
	b Dividends: (1) Qualified dividends ▶ (2) Total ordinary dividends ▶	4b(2)
	c Royalty income	4c
	d Net short-term capital gain (loss) (1) Post-May 5, 2003 ▶ (2) Entire year ▶	4d(2)
	e Net long-term capital gain (loss) (1) Post-May 5, 2003 ▶ (2) Entire year ▶	4e(1)
	f Other portfolio income (loss) (attach schedule)	4f
5 Net section 1231 gain (loss) (attach Form 4797) (a) Post-May 5, 2003 ▶ (b) Entire year ▶	5(b)	
6 Other income (loss) (attach schedule)	6	

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc. (continued)

	(a) Pro rata share items	(b) Total amount	
Deductions	7 Charitable contributions (<i>attach schedule</i>)	7	
	8 Section 179 expense deduction (<i>attach Form 4562</i>)	8	
	9 Deductions related to portfolio income (loss) (itemize)	9	
	10 Other deductions (<i>attach schedule</i>)	10	
Investment Interest	11a Interest expense on investment debts	11a	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as a fuel (<i>attach Form 6478</i>)	12a	
	b Low-income housing credit:		
	(1) From partnerships to which section 42(j)(5) applies	12b(1)	
	(2) Other than on line 12b(1).	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities (<i>attach Form 3468</i>)	12c	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
13 Other credits	13		
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (<i>attach schedule</i>)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ►		
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (<i>attach schedule</i>)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
	(2) Listed categories (<i>attach schedule</i>)	15f(2)	
(3) General limitation	15f(3)		
g Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g		
h Reduction in taxes available for credit (<i>attach schedule</i>)	15h		
Other	16 Section 59(e)(2) expenditures: a Type ► b Amount ►	16b	
	17 Tax-exempt interest income	17	
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20	
	21 Other items and amounts required to be reported separately to shareholders (<i>attach schedule</i>)		
	22 Total dividend distributions paid from accumulated earnings and profits	22	
	23 Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15g, and 16b	23	

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (<i>attach schedule</i>)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (<i>attach schedule</i>)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (<i>attach schedule</i>)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (<i>attach schedule</i>)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (<i>attach schedule</i>)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (<i>attach schedule</i>)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1	Net income (loss) per books	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):	a	Tax-exempt interest \$
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15g, and 16b (itemize):	6	Deductions included on Schedule K, lines 1 through 11a, 15g, and 16b, not charged against book income this year (itemize):
a	Depreciation \$	a	Depreciation \$
b	Travel and entertainment \$	7	Add lines 5 and 6.
4	Add lines 1 through 3.	8	Income (loss) (Schedule K, line 23). Line 4 less line 7

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 29 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21.		
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions.		
8	Balance at end of tax year. Subtract line 7 from line 6		



Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)	Identification number (see instructions)
	Principal business activity code number (see instructions)
Number, street, and room or suite no. If a P.O. box, see the instructions.	Tax year of change begins (MM/DD/YYYY)
	Tax year of change ends (MM/DD/YYYY)
City or town, state, and ZIP code	Name of contact person (see instructions)
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)	Contact person's telephone number ()

If the applicant is a member of a consolidated group, check this box ☐

If **Form 2848**, Power of Attorney and Declaration of Representative, is attached, check this box ☐

Check the box to indicate the applicant.

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Cooperative (Sec. 1381) |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Controlled foreign corporation (Sec. 957) | <input type="checkbox"/> S corporation |
| <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) | <input type="checkbox"/> Insurance co. (Sec. 816(a)) |
| <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) | <input type="checkbox"/> Insurance co. (Sec. 831) |
| <input type="checkbox"/> Exempt organization. Enter Code section ▶ | <input type="checkbox"/> Other (specify) ▶ |

Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)

- | |
|---|
| <input type="checkbox"/> Depreciation or Amortization |
| <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions |
| <input type="checkbox"/> Other (specify) ▶ |

Caution: The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change, even if not specifically requested by the Form 3115.

Part I Information For Automatic Change Request	Yes	No
1 Enter the requested designated accounting method change number from the List of Automatic Accounting Method Changes (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description. ▶ (a) Change No. _____ (b) Other <input type="checkbox"/> Description ▶ _____		
2 Is the accounting method change being requested one for which the scope limitations of section 4.02 of Rev. Proc. 2002-9 (or its successor) do not apply? If "Yes," go to Part II.		
3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		

Note: Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests	Yes	No
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If you answered "No," go to line 5.		
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer

Preparer (other than filer/applicant)

Signature and date

Signature of individual preparing the application and date

Name and title (print or type)

Name of individual preparing the application (print or type)

Name of firm preparing the application

Yes	No
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Form **3115** (Rev. 12-2003)

Part II Information For All Requests (continued)

- 13** Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.
- 14** Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions
If "No," attach an explanation.
- 15a** Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?
- b** If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.
- 16** Does the applicant request a **conference of right** with the IRS National Office if the IRS proposes an adverse response?
- 17** If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change.
- | | | |
|--|--|--|
| 1st preceding
year ended: mo. yr. | 2nd preceding
year ended: mo. yr. | 3rd preceding
year ended: mo. yr. |
| \$ | \$ | \$ |

Part III Information For Advance Consent Request

- 18** Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request?
If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.
- 19** Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.
- 20** Attach a copy of all documents related to the proposed change (see instructions).
- 21** Attach a statement of the applicant's reasons for the proposed change.
- 22** If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed?
If "No," attach an explanation.
- 23a** Enter the amount of **user fee** attached to this application (see instructions). ► \$
- b** If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev. Proc. 2003-1 (or its successor) (see instructions).

Part IV Section 481(a) Adjustment

- 24** Do the procedures for the accounting method change being requested require the use of the cut-off method? If "Yes," do not complete lines 25, 26, and 27 below.
- 25** Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.
- 26** If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?
- 27** Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?
If "Yes," attach an explanation.

Schedule A—Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)**Part I Change in Overall Method** (see instructions)

- 1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

	Amount
a Income accrued but not received	\$
b Income received or reported before it was earned. Attach a description of the income and the legal basis for the proposed method	
c Expenses accrued but not paid	
d Prepaid expenses previously deducted	
e Supplies on hand previously deducted and/or not previously reported	
f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g Other amounts (specify) ▶	
h Net section 481(a) adjustment (Combine lines 1a–1g.)	\$

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? ☐ **Yes** ☐ **No**
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. On a separate sheet, state the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, explain the differences on a separate sheet.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B—Change in Reporting Advance Payments (see instructions)

- 1 If the applicant is requesting to defer advance payment for services under Rev. Proc. 71-21, 1971-2 C.B. 549, attach the following information:
 - a Sample copies of all service agreements used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the service agreement that require the taxpayer to perform services.
 - b If any parts or materials are provided, explain whether the obligation to provide parts or materials is incidental (of minor or secondary importance) to an agreement providing for the performance of personal services.
 - c If the change relates to contingent service contracts, explain how the contracts relate to merchandise that is sold, leased, installed, or constructed by the applicant and whether the applicant offers to sell, lease, install, or construct without the service agreement.
 - d A description of the method the applicant will use to determine the amount of income earned each year on service contracts and why that method clearly reflects income earned and related expenses in each year.
 - e An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See section 3.11 of Rev. Proc. 71-21.
- 2 If the applicant is requesting a deferral of advance payments for goods under Regulations section 1.451-5, attach the following information:
 - a Sample copies of all agreements for goods or items requiring advance payments used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the agreement that require the applicant to provide goods or items.
 - b A statement providing that the entire advance payment is for goods or items. If not entirely for goods or items, a statement that an amount equal to 95% of the total contract price is properly allocable to the obligation to provide activities described in Regulations section 1.451-5(a)(1)(i) or (ii) (including services as an integral part of those activities).
 - c An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See Regulations section 1.451-5(b)(1).

Schedule C—Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970**, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, etc.).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
 - d Determining the current year cost of goods in the ending inventory (e.g., most recent purchases, earliest acquisitions during the year, average cost of purchases during the year, etc.).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, specify the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, specify the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, the applicant should identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970 and a statement indicating the indexes, tables, and categories the applicant proposes to use.

Part II Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, the applicant should explain the reasons for the separate facilities, indicate the location of each facility, and provide a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Part I **Change in Reporting Income From Long-Term Contracts** (Also complete Part III on pages 7 and 8.)

5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

3 If the applicant is subject to section 263A, is its present inventory valuation method in compliance with section 263A (see instructions)? ☐ Yes ☐ No

c Only for applicants requesting an automatic change. Attach the statement required by section 10.01(4) of the Appendix of Rev. Proc. 2002-9 (or its successor).

Inventory Being Changed		Inventory Not Being Changed
Present method	Proposed method	Present method

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions).)

Section A—Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B—Direct and Indirect Costs Required To Be Allocated (Check the appropriate boxes in Section B showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.)

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

Part III Method of Cost Allocation (see instructions) (continued)

Section C—Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included on line 26 above.		
3 Bidding expenses not included on line 22 above		
4 General and administrative costs not included in Section B above		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included on line 11 above		
11 Other costs (Attach a list of these costs.)		

Schedule E—Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

Note: See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No
If "Yes," enter the applicable section ►
- 3 Has a depreciation or amortization election been made for the property (e.g., the election under section 168(f)(1))? ☐ Yes ☐ No
If "Yes," state the election made ►
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . ☐ Yes ☐ No
- c Is the property public utility property? ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, explain how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, provide the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information under both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
 - c The facts to support the asset class for the proposed method.
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
 - e The useful life, recovery period, or amortization period of the property.
 - f The applicable convention of the property.



Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Part I Election To Expense Certain Tangible Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	\$100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)						25		
26 Property used more than 50% in a qualified business use (see page 7 of the instructions):		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions):		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles—see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32.												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions):					
43 Amortization of costs that began before your 2003 tax year.					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					44



Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2003

Attachment
Sequence No. **27**

Identifying number

1 Enter the gross proceeds from sales or exchanges reported to you for 2003 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (See instructions.)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) for entire year. Subtract (f) from the sum of (d) and (e)	(h) Post-May 5, 2003, gain or (loss)* (see below)
2							
3	Gain, if any, from Form 4684, line 39					3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37					4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824					5	
6	Gain, if any, from line 32, from other than casualty or theft					6	
7	Combine lines 2 through 6 in columns (g) and (h). Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6, or Form 1120S, Schedule K, line 5. Skip lines 8, 9, 11, and 12 below. All others. If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, 11, and 12 below.					7	
8	Nonrecaptured net section 1231 losses from prior years (see instructions)					8	
9	Subtract line 8 from line 7. If line 9, column (g) is zero or less, enter -0- in column (g). If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below and include the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D (see instructions)					9	

*Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain and the amount, if any, on line 8, column (g), does not exceed the gain on line 7, column (g). Include in column (h) all gains and losses from column (g) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do not include gain attributable to unrecaptured section 1250 gain.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

11	Loss, if any, from line 7, column (g)					11	()
12	Gain, if any, from line 7, column (g) or amount from line 8, column (g), if applicable					12	
13	Gain, if any, from line 31					13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a					14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36					15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824					16	
17	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)					17	
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed. b For individual returns: (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14					18	
						18b(1)	
						18b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6, column (g), and if applicable, column (h)	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation. See instructions	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	



Name

**Rental Real Estate Income and Expenses of a
Partnership or an S Corporation**

▶ See instructions on back.

▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

2003

Employer identification number

1 Show the kind and location of each property. See page 2 for additional properties.

A	
B	
C	
D	

		Properties			
Rental Real Estate Income		A	B	C	D
2	Gross rents	2			
Rental Real Estate Expenses					
3	Advertising	3			
4	Auto and travel	4			
5	Cleaning and maintenance	5			
6	Commissions	6			
7	Insurance	7			
8	Legal and other professional fees	8			
9	Interest	9			
10	Repairs	10			
11	Taxes	11			
12	Utilities	12			
13	Wages and salaries	13			
14	Depreciation (see instructions)	14			
15	Other (list) ▶	15			
16	Total expenses for each property. Add lines 3 through 15	16			
17	Total gross rents. Add gross rents from line 2, columns A through H	17			
18	Total expenses. Add total expenses from line 16, columns A through H	18	()
19	Net gain (loss) from Form 4797, Part II, line 18, from the disposition of property from rental real estate activities	19			
20a	Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a			
b	Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:				
(1) Name		(2) Employer identification number			
.			
.			
.			
21	Net income (loss) from rental real estate activities. Combine lines 17 through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4	21			

1 Show the kind and location of each property.

E
F
G
H

		Properties			
		E	F	G	H
Rental Real Estate Income					
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
.....					
.....					
16 Total expenses for each property. Add lines 3 through 15.	16				

Instructions

Section references are to the Internal Revenue Code.

Purpose of form. Partnerships and S corporations use Form 8825 to report income and deductible expenses from rental real estate activities, including net income (loss) from rental real estate activities that flow through from partnerships, estates, or trusts.

Before completing this form, be sure to read:

- **Passive Activity Limitations** in the instructions for Form 1065 or Form 1120S, or **Passive Loss Limitation Activities** in the Instructions for Form 1065-B, especially for the definition of "rental activity."
- **Extraterritorial Income Exclusion** in the instructions for Form 1065, 1065-B, or 1120S.

Lines 1 through 21. Form 8825 provides space for up to eight properties. If there are more than eight properties, complete and attach additional Forms 8825.

The number of columns to be used for reporting income and expenses on this form may differ from the number of rental real estate activities the partnership or S corporation has for purposes of the passive activity limitations. For example, a partnership owns two apartment buildings, each located in a different city. For purposes of the passive activity limitations, the partnership grouped both buildings into a single activity. Although the partnership has only one rental real estate activity, it must report the income and deductions for each building in separate columns.

However, if the partnership or S corporation has more than one rental real estate activity, attach a statement to Schedule K that reports the net income (loss) for each separate activity. Also, attach a statement to each Schedule K-1 that reports each partner's or shareholder's share of the net income (loss) for each separate activity (except for limited partners in an electing large partnership). See **Passive Activity Reporting Requirements** in the instructions for Form 1065, Form 1065-B, or Form 1120S for additional information that must be provided for each activity.

Complete lines 1 through 16 for each property. But complete lines 17 through 21 on only one Form 8825. The figures on lines 17 and 18 should be the combined totals of all forms.

Do not report on Form 8825 any:

- Income or deductions from a trade or business activity or a rental activity other than rental real estate.
- Portfolio income or deductions.
- Section 179 expense deduction.
- Other items that must be reported separately to the partners or shareholders.
- Commercial revitalization deductions.

Line 1. Show the kind of property rented out (e.g., "apartment building"). Give the street address, city or town, and state.

Line 14. The partnership or S corporation may claim a depreciation deduction each year for rental property (except for land, which is not depreciable). If the partnership or S corporation placed property in service during the current tax

year or claimed depreciation on any vehicle or other listed property, complete and attach **Form 4562**, Depreciation and Amortization. See Form 4562 and its instructions to figure the depreciation deduction.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 6 hr., 27 min.; **Learning about the law or the form**, 34 min.; **Preparing the form**, 1 hr., 37 min.; **Copying, assembling, and sending the form to the IRS**, 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.



Application To Use LIFO Inventory Method

OMB No. 1545-0042

Attachment
Sequence No. **122**

► Attach to your tax return.

Name	Identifying number
------	--------------------

Check one: ☐ First election ☐ Subsequent election

Part I Statement of Election

	Yes	No
A The taxpayer elects to adopt and use the LIFO inventory method provided by section 472. The taxpayer will use (or expand) the LIFO inventory method for the first tax year ending (month, day, year) ► for the following goods (see instructions):		
B The taxpayer agrees, as required by Regulations section 1.472-4, to make any adjustments that the IRS may require, on the examination of the taxpayer's income tax return, to clearly reflect income for the years involved in the change to or from the LIFO inventory method or due to the use of the LIFO inventory method.		
C Was the beginning inventory for the items specified in Item A above valued at cost (as required by section 472(d)) for the first tax year this application applies? If "No," attach an explanation		
D Will inventory be taken at actual cost regardless of market value? If "No," attach an explanation		

Part II Other Information

1 Nature of business ►		
2 Inventory method used until now ►		
3 Will any adjustment that resulted from the change to the LIFO method be included in income over a 3-year period? If "No," attach an explanation		
4 List goods subject to inventory that will not be inventoried under the LIFO method ►		
5 Were the goods specified in Part I, Item A treated as acquired at the same time and at a unit cost equal to the actual cost of the total divided by the number of goods on hand? If "No," attach an explanation		
6a Did you issue credit statements or reports to shareholders, partners, other proprietors, or beneficiaries covering the first tax year to which this application relates?		
b If "Yes," state to whom and on what dates ►		
c Show the inventory method used to determine income, profit, or loss in those statements ►		
7a Check method used to figure the cost of the goods in the closing inventory over those in the opening inventory (see instructions): <input type="checkbox"/> Most recent purchases <input type="checkbox"/> Earliest acquisitions during the year <input type="checkbox"/> Average cost of purchases during the year <input type="checkbox"/> Other (attach explanation)		
7b The taxpayer selects the month of _____ as the representative month used in selecting the index or indexes used to determine the current-year cost of the taxpayer's inventory pool(s) under Regulations section 1.472-8(e)(2)(ii) (see instructions). This applies only to taxpayers using the inventory price index computation method.		
8 Method used in valuing LIFO inventories: <input type="checkbox"/> Unit method <input type="checkbox"/> Dollar-value method (see instructions)		
9 If you use pools, check the box that indicates the pooling method. List and describe the contents of each pool in an attached statement. <input type="checkbox"/> By line, type, or class of goods authorized by Regulations section 1.472-8(c) (retailer, wholesaler, jobber, or distributor) <input type="checkbox"/> Pooling method authorized by Regulations section 1.472-8(e)(3)(iv) (retailer, wholesaler, jobber, or distributor) <input type="checkbox"/> Natural business unit authorized by Regulations section 1.472-8(b)(1) (manufacturer or processor) <input type="checkbox"/> Multiple pools authorized by Regulations section 1.472-8(b)(3)(i) (manufacturer or processor) <input type="checkbox"/> Raw material-content authorized by Regulations section 1.472-8(b)(3)(ii) (manufacturer or processor) <input type="checkbox"/> Simplified dollar-value method under section 474 (see instructions) <input type="checkbox"/> Other (describe and justify)		
10 Method used in computing LIFO value of dollar-value pools (see instructions and attach required information): <input type="checkbox"/> Double-extension (describe) <input type="checkbox"/> New Vehicle Alternative LIFO <input type="checkbox"/> Index (describe and justify) <input type="checkbox"/> Link-chain (describe and justify) <input type="checkbox"/> Used Vehicle Alternative LIFO <input type="checkbox"/> Other method (describe and justify) <input type="checkbox"/> Published price index (describe)		
11 Attach a statement briefly describing the cost system used.		
12 Did you receive IRS consent to change your method of valuing inventories for this tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No		
13 Did you ever use the LIFO inventory method before? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach a statement listing the tax years you used LIFO and explain why you discontinued it.		

For Paperwork Reduction Act Notice, see instructions on back.

Cat. No. 17057T

Form **970** (Rev. 9-2001)

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

► See separate instructions.

For calendar year 2003 or tax year
, 2003, and ending , 20

OMB No. 1545-0130

2003

Shareholder's identifying number ► Shareholder's name, address, and ZIP code	Corporation's identifying number ► Corporation's name, address, and ZIP code
--	--

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ► %
- B** Internal Revenue Service Center where corporation filed its return ►
- C** Tax shelter registration number (see instructions for Schedule K-1) ►
- D** Check applicable boxes: **(1)** ☐ Final K-1 **(2)** ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	} See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):	4	} Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Sch. E, Part I, line 4 Sch. D, line 5, col. (g) Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest income	4a	
	b (1) Qualified dividends	4b(1)	
	(2) Total ordinary dividends	4b(2)	
	c Royalty income	4c	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f		
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	} See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)	
b Net section 1231 gain (loss) (entire year)	5b		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7	} Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	} See pages 5 and 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	} Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as fuel	12a	} Form 6478, line 10
	b Low-income housing credit:	12b	} Form 8586, line 5
	(1) From section 42(j)(5) partnerships	12b(1)	
	(2) Other than on line 12b(1)	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	} See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ▶		Form 1116, Part I
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)		
g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g	Form 1116, Part II	
h Reduction in taxes available for credit (attach schedule)	15h		
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:		
	a From section 42(j)(5) partnerships	22a	Form 8611, line 8
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		



SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

► See separate instructions.

For calendar year 2003 or tax year
, 2003, and ending , 20

OMB No. 1545-0130

2003

Shareholder's identifying number ► Shareholder's name, address, and ZIP code	Corporation's identifying number ► Corporation's name, address, and ZIP code
--	--

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ► %
- B** Internal Revenue Service Center where corporation filed its return ►
- C** Tax shelter registration number (see instructions for Schedule K-1) ►
- D** Check applicable boxes: **(1)** ☐ Final K-1 **(2)** ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	} See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):	4	} Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Sch. E, Part I, line 4 Sch. D, line 5, col. (g) Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest income	4a	
	b (1) Qualified dividends	4b(1)	
	(2) Total ordinary dividends	4b(2)	
	c Royalty income	4c	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f		
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	} See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)	
b Net section 1231 gain (loss) (entire year)	5b		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7	} Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	} See pages 5 and 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	} Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as fuel	12a	} Form 6478, line 10
	b Low-income housing credit:	12b	} Form 8586, line 5
	(1) From section 42(j)(5) partnerships	12b(1)	
	(2) Other than on line 12b(1)	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	} See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ▶		Form 1116, Part I
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)		
	g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g	Form 1116, Part II
	h Reduction in taxes available for credit (attach schedule)	15h	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
	b Other than on line 22a	22b	
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
		
		
		
		
		
		
		
		
		



SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

► See separate instructions.

For calendar year 2003 or tax year
, 2003, and ending , 20

OMB No. 1545-0130

2003

Shareholder's identifying number ► Shareholder's name, address, and ZIP code	Corporation's identifying number ► Corporation's name, address, and ZIP code
--	--

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ► %
- B** Internal Revenue Service Center where corporation filed its return ►
- C** Tax shelter registration number (see instructions for Schedule K-1) ►
- D** Check applicable boxes: **(1)** ☐ Final K-1 **(2)** ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	} See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):	4	} Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Sch. E, Part I, line 4 Sch. D, line 5, col. (g) Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest income	4a	
	b (1) Qualified dividends	4b(1)	
	(2) Total ordinary dividends	4b(2)	
	c Royalty income	4c	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f		
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	} See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)	
b Net section 1231 gain (loss) (entire year)	5b		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7	} Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	} See pages 5 and 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	} Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as fuel	12a	} Form 6478, line 10
	b Low-income housing credit:	12b	} Form 8586, line 5
	(1) From section 42(j)(5) partnerships	12b(1)	
	(2) Other than on line 12b(1)	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	} See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ▶		Form 1116, Part I
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)		
	g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g	Form 1116, Part II
	h Reduction in taxes available for credit (attach schedule)	15h	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
	b Other than on line 22a	22b	
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
		
		
		
		
		
		
		
		
		



SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

► See separate instructions.

For calendar year 2003 or tax year
, 2003, and ending , 20

OMB No. 1545-0130

2003

Shareholder's identifying number ► Shareholder's name, address, and ZIP code	Corporation's identifying number ► Corporation's name, address, and ZIP code
--	--

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ► %
- B** Internal Revenue Service Center where corporation filed its return ►
- C** Tax shelter registration number (see instructions for Schedule K-1) ►
- D** Check applicable boxes: **(1)** ☐ Final K-1 **(2)** ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	} See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):	4	} Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Sch. E, Part I, line 4 Sch. D, line 5, col. (g) Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest income	4a	
	b (1) Qualified dividends	4b(1)	
	(2) Total ordinary dividends	4b(2)	
	c Royalty income	4c	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f		
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	} See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)	
b Net section 1231 gain (loss) (entire year)	5b		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7	} Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	} See pages 5 and 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	} Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as fuel	12a	} Form 6478, line 10
	b Low-income housing credit:	12b	} Form 8586, line 5
	(1) From section 42(j)(5) partnerships	12b(1)	
	(2) Other than on line 12b(1)	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	} See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ▶		Form 1116, Part I
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)	Form 1116, Part II	
g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g		
h Reduction in taxes available for credit (attach schedule)	15h	See Instructions for Form 1116	
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:		Form 8611, line 8
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		



SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

► See separate instructions.

For calendar year 2003 or tax year
, 2003, and ending

OMB No. 1545-0130

2003

beginning

Shareholder's identifying number ►

Shareholder's name, address, and ZIP code

Corporation's identifying number ►

Corporation's name, address, and ZIP code

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ► %
- B** Internal Revenue Service Center where corporation filed its return ►
- C** Tax shelter registration number (see instructions for Schedule K-1) ►
- D** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		Form 1040, line 8a Form 1040, line 9b Form 1040, line 9a Sch. E, Part I, line 4 Sch. D, line 5, col. (g) Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest income	4a	
	b (1) Qualified dividends	4b(1)	
	(2) Total ordinary dividends	4b(2)	
	c Royalty income	4c	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f		
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)	
b Net section 1231 gain (loss) (entire year)	5b		
6 Other income (loss) (attach schedule)	6		
Deductions	7 Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	See pages 5 and 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships	12b(1)	
	(2) Other than on line 12b(1)	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ▶		Form 1116, Part I
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)		
	g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g	Form 1116, Part II
	h Reduction in taxes available for credit (attach schedule)	15h	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
	b Other than on line 22a	22b	
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
		
		
		
		
		
		
		
		
		



TEST SCENARIO 5**FORMS REQUIRED:** 1120S, Sch D (1120S), 4562, 4797, 8082, 8283, 8825, 8881, Sch K-1 (2)**ATTACHMENTS:**

ItemizedOtherIncomeSchedule2
ItemizedOtherDeductionsSchedule2
ItemizedOtherCostsSchedule
CharitableContributionsSchedule
ItemizedDeductionsPortfolioIncomeLossStatement
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
SupplementalInformationStmt
FairMarketValueStatement

BINARY ATTACHMENTS: Scanned Form 8453-S**OTHER:**

PREPARED BY: Electronic Tax Filers, Inc. 999-06-0007, 11-0000011
100 Efile Drive
Anytown, TX 78621
Phone Number: 512-555-1212

TAXPAYER NAME: Golden Bridge Detailing Service, Inc.
TAXPAYER EIN: 11-0000008
TAX PERIOD: Calendar Year

ADDRESS: 38 Any Street
Anytown, MI 49261

Details for attachments to Forms 1120S, 8283, Sch K-1 (1120S)**Attachment 1, Form 1120S, Page 1, Line 5, Other Income (ItemizedOtherIncomeSchedule)**

Miscellaneous	(3,272,375)
Total	(3,272,375)

Attachment 2, Form 1120S, Page 1, Line 19, Other Deductions (ItemizedOtherDeductionsSchedule)

Telephone & Telegraph	300,000
Warehouse Fees	400,000
Professional Services	500,000
Commissions	200,000
Travel Expenses	300,000
Freight	<u>300,000</u>
Total	2,000,000

Attachment 3, Form 1120S, Page 2, Sch A, Line 5, Other Costs (ItemizedOtherCostsSchedule)

Allocation of Cost of Goods Sold	70,480
Cost of Service	<u>628,265</u>
Total	698,745

Attachment 4, Form 1120S, Page 3, Sch K, Line 7, Charitable Contributions (CharitableContributionsSchedule)

Contributions	50% Limit	<u>5,931</u>
Total		5,931

Attachment 5, Form 1120S, Page 3, Sch K, Line 9, Deductions related to Portfolio Income (Loss) (ItemizedDeductionsPortfolioIncomeLossStatement)

Deductions from Investment Fees	188,732
Deductions from Portfolio Management	<u>188,733</u>
Total	377,465

Attachment 6, Form 1120S, Page 4, Sch L, Line 6, Other current assets (ItemizedOtherCurrentAssetsSchedule)

	Beginning	Ending
Prepaid Expenses	17,828	33,681
Unbilled Revenue	612,886	1,724,222
Intercompany Advances	225,293	24,896
Other	<u>0</u>	<u>2,637,012</u>
Total	856,007	4,419,811

Attachment 7, Form 1120S, Page 4, Sch L, Line 9, Other investments (ItemizedOtherInvestmentsSchedule)

	Beginning	Ending
Cash Value – Officer's Life, Net	<u>102,065,661</u>	<u>102,471,976</u>
Total	102,065,661	102,471,976

Attachment 8, Form 1120S, Page 4, Sch L, Line 18, Other Current Liabilities (ItemizedOtherCurrentLiabilitiesSchedule)

	Beginning	Ending
Deferred Comp.		205,651
Payroll Taxes Payable		16,716
Due to Broker	726,483	
Deferred Revenue	244,803	
Pension	(1,534,505)	
Insurance		576,980
Accrued Expenses	<u>1,029,197</u>	<u>55,162</u>
Total	465,978	854,509

Repeat Group 1, Form 1120S, Page 4, Sch M-1, Line 2, Taxable Income Not Recorded on Books
(IncNotRecordedItemized)

OID on Treasury Strips	7,217
Miscellaneous	<u>939,146</u>
Total	946,363

Repeat Group 2, Form 1120S, Page 4, Sch M-1, Line 3, Expenses Recorded on Books, But Not Deducted on Return (ItemizedExpenseNotDeducted)

Pension Profit Sharing Plan Adj	500
Accrued Expenses	<u>444,860</u>
Total	445,360

Repeat Group 3, Form 1120S, Page 4, Sch M-1, Line 6, Deductions on Return Not Charged Against Book Income (ItemizedDeductionNotCharged)

Prior RAR Adjustments	<u>1,368,088</u>
Total	1,368,088

Attachment 9, Form 8283, Section A, Part 1, Information on Donated Property (FairMarketValueStatement)

Fair Market Value (FMV) Statement: The fair market value of the Industrial Sized Brushless and Waterless Car Waxer is reduced because the 50% limit, instead of the 30% limit, was chosen. (FMV) \$6,500 – (Adj Basis) \$5,000 = (Appreciation) \$1,500.

Attachment 10, Sch K-1(Shareholder #1), Page 2, Line 23, Supplement Information
(SupplementalInformationStmnt)

<u>Line</u>	<u>Description</u>	<u>Amount</u>
7	Contributions (50% Limit)	2,966
9	Portfolio deductions from pass-through activities	188,732

Attachment 11, Sch K-1(Shareholder #2), Page 2, Line 23, Supplement Information
(SupplementalInformationStmnt)

<u>Line</u>	<u>Description</u>	<u>Amount</u>
7	Contributions (50% Limit)	2,965
9	Portfolio deductions from pass-through activities	188,733

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has timely filed
Form 2553 to elect to be an S corporation.

▶ See separate instructions.

OMB No. 1545-0130

2003

For calendar year 2003, or tax year beginning , 2003, and ending , 20

A Effective date of election as an S corporation	Use IRS label. Otherwise, print or type.	Name	C Employer identification number
		Number, street, and room or suite no. (If a P.O. box, see page 11 of the instructions.)	D Date incorporated
		City or town, state, and ZIP code	E Total assets (see page 12) \$
B Business code no. (see pages 29-31)			

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return**G** Enter number of shareholders in the corporation at end of the tax year ▶**Caution:** Include **only** trade or business income and expenses on lines 1a through 21. See page 12 of the instructions for more information.

Income	1a Gross receipts or sales		b Less returns and allowances		c Bal ▶	1c	
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					4	
	5 Other income (loss) (attach schedule)					5	
	6 Total income (loss). Combine lines 3 through 5					6	
Deductions (see page 13 of the instructions for limitations)	7 Compensation of officers					7	
	8 Salaries and wages (less employment credits)					8	
	9						
	10 Bad debts					10	
	11 Rents					11	
	12 Taxes and licenses					12	
	13 Interest					13	
	14a Depreciation (if required, attach Form 4562)	14a					
	b Depreciation claimed on Schedule A and elsewhere on return	14b					
	c Subtract line 14b from line 14a					14c	
	15 Depletion (Do not deduct oil and gas depletion.)					15	
	16 Advertising					16	
	17 Pension, profit-sharing, etc., plans					17	
	18 Employee benefit programs					18	
	19 Other deductions (attach schedule)					19	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19					20		
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6					21		
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)	22a					
	b Tax from Schedule D (Form 1120S)	22b					
	c Add lines 22a and 22b (see page 17 of the instructions for additional taxes)					22c	
	23 Payments: a 2002 estimated tax payments and amount applied from 2001 return	23a					
	b Tax deposited with Form 7004	23b					
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c					
	d Add lines 23a through 23c					23d	
	24 Estimated tax penalty. (See page 18 of instructions). Check if Form 2220 is attached					24	
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 of the instructions for depository method of payment					25	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					26	
27 Enter amount of line 26 you want: Credited to 2003 estimated tax ▶ Refunded ▶					27		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No**Paid**

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Preparer's

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no. ()

Use Only

Schedule A Cost of Goods Sold (see page 18 of the instructions)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

9a Check all methods used for valuing closing inventory: (i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) ▶ _____

b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d _____

e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information (see page 19 of instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ _____		
2 See pages 31 through 33 of the instructions and enter the: (a) Business activity ▶ _____ (b) Product or service ▶ _____		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		
5 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 17 of the instructions) ▶ \$ _____		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 18 of the instructions) ▶ <input type="checkbox"/>		
9 Are the corporation's total receipts (see page 29 of the instructions) for the tax year and total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

	(a) Pro rata share items	(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21)	1
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a Gross income from other rental activities 3a	
	b Expenses from other rental activities (attach schedule) 3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss):	
	a Interest income	4a
	b Dividends: (1) Qualified dividends ▶ (2) Total ordinary dividends ▶	4b(2)
	c Royalty income	4c
	d Net short-term capital gain (loss) (1) Post-May 5, 2003 ▶ (2) Entire year ▶	4d(2)
	e Net long-term capital gain (loss) (1) Post-May 5, 2003 ▶ (2) Entire year ▶	4e(1)
	f Other portfolio income (loss) (attach schedule)	4f
5 Net section 1231 gain (loss) (attach Form 4797) (a) Post-May 5, 2003 ▶ (b) Entire year ▶	5(b)	
6 Other income (loss) (attach schedule)	6	

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc. (continued)

	(a) Pro rata share items	(b) Total amount	
Deductions	7 Charitable contributions (<i>attach schedule</i>)	7	
	8 Section 179 expense deduction (<i>attach Form 4562</i>)	8	
	9 Deductions related to portfolio income (loss) (itemize)	9	
	10 Other deductions (<i>attach schedule</i>)	10	
Investment Interest	11a Interest expense on investment debts	11a	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)	
	(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a Credit for alcohol used as a fuel (<i>attach Form 6478</i>)	12a	
	b Low-income housing credit:		
	(1) From partnerships to which section 42(j)(5) applies	12b(1)	
	(2) Other than on line 12b(1).	12b(2)	
	c Qualified rehabilitation expenditures related to rental real estate activities (<i>attach Form 3468</i>)	12c	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
13 Other credits	13		
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (<i>attach schedule</i>)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ►		
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (<i>attach schedule</i>)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
	(2) Listed categories (<i>attach schedule</i>)	15f(2)	
(3) General limitation	15f(3)		
g Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g		
h Reduction in taxes available for credit (<i>attach schedule</i>)	15h		
Other	16 Section 59(e)(2) expenditures: a Type ► b Amount ►	16b	
	17 Tax-exempt interest income	17	
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20	
	21 Other items and amounts required to be reported separately to shareholders (<i>attach schedule</i>)		
	22 Total dividend distributions paid from accumulated earnings and profits	22	
	23 Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15g, and 16b	23	

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (<i>attach schedule</i>)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (<i>attach schedule</i>)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (<i>attach schedule</i>)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (<i>attach schedule</i>)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (<i>attach schedule</i>)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (<i>attach schedule</i>)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

1	Net income (loss) per books	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):
2	Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):	a	Tax-exempt interest \$
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15g, and 16b (itemize):	6	Deductions included on Schedule K, lines 1 through 11a, 15g, and 16b, not charged against book income this year (itemize):
a	Depreciation \$	a	Depreciation \$
b	Travel and entertainment \$	7	Add lines 5 and 6.
4	Add lines 1 through 3.	8	Income (loss) (Schedule K, line 23). Line 4 less line 7

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 29 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year		
2	Ordinary income from page 1, line 21.		
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5		
7	Distributions other than dividend distributions.		
8	Balance at end of tax year. Subtract line 7 from line 6		



**SCHEDULE D
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses and Built-In Gains

▶ Attach to Form 1120S.

▶ See separate instructions.

OMB No. 1545-0130

2003

Name	Employer identification number
------	--------------------------------

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year (Subtract (e) from (d))	(g) Post-May 5 gain or (loss)* (see Note below)
1						
2						
3						
4						
5						
6a						
6b						

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year (Subtract (e) from (d))	(g) Post-May 5 gain or (loss)* (see Note below)
7						
8						
9						
10						
11						
12						
13						
14						

Part III Built-In Gains Tax (See instructions **before** completing this part.)

15	Excess of recognized built-in gains over recognized built-in losses (attach computation schedule)	15
16	Taxable income (attach computation schedule)	16
17	Net recognized built-in gain. Enter the smallest of line 15, line 16, or line 7 of Schedule B	17
18	Section 1374(b)(2) deduction	18
19	Subtract line 18 from line 17. If zero or less, enter -0- here and on line 22.	19
20	Enter 35% of line 19	20
21	Section 1374(b)(3) business credit and minimum tax credit carryforwards from C corporation years	21
22	Tax. Subtract line 21 from line 20 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b	22

* **Note:** Include in column (g) gains and losses from column (f) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do **not** include gain attributable to unrecaptured section 1250 gain, "collectibles gains and losses" (as defined on page X of the instructions) or the eligible gain on qualified small business stock (see page X of the instructions).



Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Part I Election To Expense Certain Tangible Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	\$100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)						25		
26 Property used more than 50% in a qualified business use (see page 7 of the instructions):		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions):		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.								29

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles—see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32.												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions):					
43 Amortization of costs that began before your 2003 tax year.					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					44



Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2003

Attachment
Sequence No. **27**

Identifying number

1 Enter the gross proceeds from sales or exchanges reported to you for 2003 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (See instructions.)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) for entire year. Subtract (f) from the sum of (d) and (e)	(h) Post-May 5, 2003, gain or (loss)* (see below)
2							
3	Gain, if any, from Form 4684, line 39					3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37					4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824					5	
6	Gain, if any, from line 32, from other than casualty or theft					6	
7	Combine lines 2 through 6 in columns (g) and (h). Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6, or Form 1120S, Schedule K, line 5. Skip lines 8, 9, 11, and 12 below. All others. If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain or (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, 11, and 12 below.					7	
8	Nonrecaptured net section 1231 losses from prior years (see instructions)					8	
9	Subtract line 8 from line 7. If line 9, column (g) is zero or less, enter -0- in column (g). If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below and include the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D (see instructions)					9	

*Corporations (other than S corporations) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain and the amount, if any, on line 8, column (g), does not exceed the gain on line 7, column (g). Include in column (h) all gains and losses from column (g) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do not include gain attributable to unrecaptured section 1250 gain.

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

11	Loss, if any, from line 7, column (g)					11	()
12	Gain, if any, from line 7, column (g) or amount from line 8, column (g), if applicable					12	
13	Gain, if any, from line 31					13	
14	Net gain or (loss) from Form 4684, lines 31 and 38a					14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36					15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824					16	
17	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)					17	
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed. b For individual returns: (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions. (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14					18	
						18b(1)	
						18b(2)	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A			
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21	23			
24	Total gain. Subtract line 23 from line 20	24			
25	If section 1245 property:				
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29	If section 1255 property:				
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6, column (g), and if applicable, column (h)	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33
34	Recomputed depreciation. See instructions	34
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35



Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)

(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries, foreign trust owners and beneficiaries, REMIC residual interest holders, and TMPs)

► See separate instructions.

OMB No. 1545-0790

Attachment
Sequence No. **84**

Identifying number

Part I General Information

1 Check boxes that apply: (a) <input type="checkbox"/> Notice of inconsistent treatment (b) <input type="checkbox"/> Administrative adjustment request (AAR)	
2 If you are a TMP filing an AAR on behalf of the pass-through entity, are you requesting substituted return treatment? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No	
3 Check applicable box to identify type of pass-through entity: (a) <input type="checkbox"/> Partnership (b) <input type="checkbox"/> Electing large partnership (c) <input type="checkbox"/> S corporation (d) <input type="checkbox"/> Estate (e) <input type="checkbox"/> Trust (f) <input type="checkbox"/> REMIC	
4 Identifying number of pass-through entity	6 Tax shelter registration number (if applicable) of pass-through entity
5 Name, address, and ZIP code of pass-through entity	7 Internal Revenue Service Center where pass-through entity filed its return
	8 Tax year of pass-through entity / / to / /
	9 Your tax year / / to / /

Part II Inconsistent or Administrative Adjustment Request (AAR) Items

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in, or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement, or your return, whichever applies (see instructions)		(d) Amount you are reporting		(e) Difference between (c) and (d)	
	Amount of item	Treatment of item						
10								
11								
12								
13								

Part III Explanations—Enter the Part II item number before each explanation. If more space is needed, continue your explanations on the back.

.....

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Part III Explanations (continued)

This image shows a full page of a handwriting practice worksheet. It consists of multiple sets of three horizontal dashed lines spaced evenly down the page, providing a guide for letter height and placement. The background is plain white, and there are no other markings or text present.

Noncash Charitable Contributions

▶ Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.

▶ See separate instructions.

OMB No. 1545-0908

Attachment
Sequence No. **55**

Name(s) shown on your income tax return

Identifying number

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A—List in this section **only** items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is over \$5,000 (see instructions).

Part I Information on Donated Property—If you need more space, attach a statement.

	(a) Name and address of the donee organization	(b) Description of donated property
1		
A		
B		
C		
D		
E		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) Fair market value	(h) Method used to determine the fair market value
A						
B						
C						
D						
E						

Part II Other Information—Complete line 2 if you gave less than an entire interest in property listed in Part I. Complete line 3 if conditions were attached to a contribution listed in Part I.

2 If, during the year, you contributed less than the entire interest in the property, complete lines a–e.

- a** Enter the letter from Part I that identifies the property ▶ _____. If Part II applies to more than one property, attach a separate statement.
- b** Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ _____.
(2) For any prior tax years ▶ _____.
- c** Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee)

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

- d** For tangible property, enter the place where the property is located or kept ▶ _____
- e** Name of any person, other than the donee organization, having actual possession of the property ▶ _____

3 If conditions were attached to any contribution listed in Part I, answer questions a – c and attach the required statement (see instructions).

- a** Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?
- b** Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?
- c** Is there a restriction limiting the donated property for a particular use?

Yes	No

Name(s) shown on your income tax return

Identifying number

Section B—Appraisal Summary—List in this section only items (or groups of similar items) for which you claimed a deduction of more than \$5,000 per item or group. **Exception.** Report contributions of certain publicly traded securities only in Section A.

If you donated art, you may have to attach the complete appraisal. See the **Note** in Part I below.

Part I Information on Donated Property—To be completed by the taxpayer and/or appraiser.

4 Check type of property:

- ☐ Art* (contribution of \$20,000 or more) ☐ Real Estate ☐ Gems/Jewelry ☐ Stamp Collections
☐ Art* (contribution of less than \$20,000) ☐ Coin Collections ☐ Books ☐ Other

*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antique furniture, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

Note: If your total art contribution deduction was \$20,000 or more, you must attach a complete copy of the signed appraisal. See instructions.

5 (a) Description of donated property (if you need more space, attach a separate statement)		(b) If tangible property was donated, give a brief summary of the overall physical condition at the time of the gift		(c) Appraised fair market value	
A					
B					
C					
D					

A	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	See instructions	
					(h) Amount claimed as a deduction	(i) Average trading price of securities
A						
B						
C						
D						

Part II Taxpayer (Donor) Statement—List each item included in Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions. ► _____

Signature of taxpayer (donor) ►

Date ►

Part III Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this appraisal summary may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I affirm that I have not been barred from presenting evidence or testimony by the Director of Practice.

Sign

Here

Signature ►

Title ►

Date of appraisal ►

Business address (including room or suite no.)

Identifying number

City or town, state, and ZIP code

Part IV Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on ► _____

(Date)

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 2 years after the date of receipt, it will file **Form 8282**, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? ► ☐ Yes ☐ No

Name of charitable organization (donee)

Employer identification number

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

Authorized signature

Title

Date



Name

**Rental Real Estate Income and Expenses of a
Partnership or an S Corporation**

▶ See instructions on back.

▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

OMB No. 1545-1186

2003

Employer identification number

1 Show the kind and location of each property. See page 2 for additional properties.**A****B****C****D****Properties**

Rental Real Estate Income		A	B	C	D
2 Gross rents	2				
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10				
11 Taxes	11				
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				
.....					
.....					
16 Total expenses for each property. Add lines 3 through 15	16				

17 Total gross rents. Add gross rents from line 2, columns A through H **17****18** Total expenses. Add total expenses from line 16, columns A through H **18** ()**19** Net gain (loss) from Form 4797, Part II, line 18, from the disposition of property from rental real estate activities **19****20a** Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) **20a****b** Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:**(1)** Name**(2)** Employer identification number.....
.....
.....**21** Net income (loss) from rental real estate activities. Combine lines 17 through 20a. Enter the result here and on:• **Form 1065 or 1120S:** Schedule K, line 2, or• **Form 1065-B:** Part I, line 4

**Credit for Small Employer Pension Plan
Startup Costs**

▶ Attach to your tax return.

OMB No. 1545-1810

2003
Attachment
Sequence No. **130**

Identifying number

Part I Current Year Credit (Members of controlled groups or businesses under common control, see instructions.)

1	Qualified startup costs incurred during the tax year. Do not enter more than \$1,000	1								
2	Enter one-half of line 1	2								
3	Form 8881 credits from pass-through entities: <table><tr><td>If you are a—</td><td>Then enter the Form 8881 credits from—</td></tr><tr><td>a Shareholder</td><td>Schedule K-1 (Form 1120S) lines 12d, 12e, or 13</td></tr><tr><td>b Partner</td><td>Schedule K-1 (Form 1065) lines 12c, 12d, or 13</td></tr></table>	If you are a—	Then enter the Form 8881 credits from—	a Shareholder	Schedule K-1 (Form 1120S) lines 12d, 12e, or 13	b Partner	Schedule K-1 (Form 1065) lines 12c, 12d, or 13	3		
If you are a—	Then enter the Form 8881 credits from—									
a Shareholder	Schedule K-1 (Form 1120S) lines 12d, 12e, or 13									
b Partner	Schedule K-1 (Form 1065) lines 12c, 12d, or 13									
4	Add lines 2 and 3	4								
5	Current year credit. Enter the smaller of line 4 or \$500	5								

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

6	Regular tax before credits: • Individuals. Enter the amount from Form 1040, line 41 • Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return	6		
7	Alternative minimum tax: • Individuals. Enter the amount from Form 6251, line 35 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56	7		
8	Add lines 6 and 7	8		
9a	Foreign tax credit	9a		
b	Credit for child and dependent care expenses (Form 2441, line 11)	9b		
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 24)	9c		
d	Education credits (Form 8863, line 18)	9d		
e	Credit for qualified retirement savings contributions (Form 8880, line 14)	9e		
f	Child tax credit (Form 1040, line 49)	9f		
g	Mortgage interest credit (Form 8396, line 11)	9g		
h	Adoption credit (Form 8839, line 18)	9h		
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	9i		
j	Possessions tax credit (Form 5735, line 17 or 27)	9j		
k	Credit for fuel from a nonconventional source	9k		
l	Qualified electric vehicle credit (Form 8834, line 20)	9l		
m	Add lines 9a through 9l	9m		
10	Net income tax. Subtract line 9m from line 8. If zero, skip lines 11 through 14 and enter -0- on line 15	10		
11	Net regular tax. Subtract line 9m from line 6. If zero or less, enter -0-	11		
12	Enter 25% (.25) of the excess, if any, of line 11 over \$25,000 (see instructions)	12		
13	Tentative minimum tax (see instructions): • Individuals. Enter the amount from Form 6251, line 33 • Corporations. Enter the amount from Form 4626, line 12 • Estates and trusts. Enter the amount from Form 1041, Schedule I, line 54	13		
14	Enter the greater of line 12 or line 13	14		
15	Subtract line 14 from line 10. If zero or less, enter -0-	15		
16	Credit allowed for the current year. Enter the smaller of line 5 or line 15 here and on Form 1040, line 52; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2a; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 15 is smaller than line 5, see instructions	16		

SCHEDULE K-1
(Form 1120S)**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
For calendar year 2003 or tax year
, 2003, and ending , 20**2003****Shareholder's identifying number ▶**

Shareholder's name, address, and ZIP code

Corporation's identifying number ▶

Corporation's name, address, and ZIP code

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ %
- B** Internal Revenue Service Center where corporation filed its return ▶
- C** Tax shelter registration number (see instructions for Schedule K-1) ▶
- D** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest income	4a	Form 1040, line 8a	
	b (1) Qualified dividends	4b(1)	Form 1040, line 9b	
	(2) Total ordinary dividends	4b(2)	Form 1040, line 9a	
	c Royalty income	4c	Sch. E, Part I, line 4	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	Sch. D, line 5, col. (g)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	Sch. D, line 5, col. (f)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	Sch. D, line 12, col. (g)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	Sch. D, line 12, col. (f)	
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return.)	
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	See Shareholder's Instructions for Schedule K-1 (Form 1120S).		
b Net section 1231 gain (loss) (entire year)	5b			
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)		
Deductions	7 Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16	
	8 Section 179 expense deduction	8	See page 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	9 Deductions related to portfolio income (loss) (attach schedule)	9		
	10 Other deductions (attach schedule)	10		
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1	
	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above	11b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	(2) Investment expenses included on line 9 above	11b(2)		
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b Low-income housing credit:		Form 8586, line 5	
	(1) From section 42(j)(5) partnerships	12b(1)		
	(2) Other than on line 12b(1)	12b(2)		
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		
	e Credits related to other rental activities	12e		
	13 Other credits	13		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Cat. No. 11520D

Schedule K-1 (Form 1120S) 2003

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ►	15a	Form 1116, Part I
	b Gross income from all sources	15b	
	c Gross income sourced at shareholder level	15c	
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)		
g Total foreign taxes (check one): ► <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g	Form 1116, Part II See Instructions for Form 1116	
h Reduction in taxes available for credit (attach schedule)	15h		
Other	16 Section 59(e)(2) expenditures: a Type ►	16a	See Shareholder's Instructions for Schedule K-1 (Form 1120S). Form 1040, line 8b
	b Amount	16b	
	17 Tax-exempt interest income	17	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		
		
		
		
		
		
		
		
		
		



SCHEDULE K-1
(Form 1120S)**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
For calendar year 2003 or tax year
, 2003, and ending , 20**2003****Shareholder's identifying number ▶**

Shareholder's name, address, and ZIP code

Corporation's identifying number ▶

Corporation's name, address, and ZIP code

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ %
- B** Internal Revenue Service Center where corporation filed its return ▶
- C** Tax shelter registration number (see instructions for Schedule K-1) ▶
- D** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 4 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	2 Net income (loss) from rental real estate activities	2		
	3 Net income (loss) from other rental activities	3		
	4 Portfolio income (loss):			
	a Interest income	4a	Form 1040, line 8a	
	b (1) Qualified dividends	4b(1)	Form 1040, line 9b	
	(2) Total ordinary dividends	4b(2)	Form 1040, line 9a	
	c Royalty income	4c	Sch. E, Part I, line 4	
	d (1) Net short-term capital gain (loss) (post-May 5, 2003)	4d(1)	Sch. D, line 5, col. (g)	
	(2) Net short-term capital gain (loss) (entire year)	4d(2)	Sch. D, line 5, col. (f)	
	e (1) Net long-term capital gain (loss) (post-May 5, 2003)	4e(1)	Sch. D, line 12, col. (g)	
	(2) Net long-term capital gain (loss) (entire year)	4e(2)	Sch. D, line 12, col. (f)	
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return.)	
5a Net section 1231 gain (loss) (post-May 5, 2003)	5a	See Shareholder's Instructions for Schedule K-1 (Form 1120S).		
b Net section 1231 gain (loss) (entire year)	5b			
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)		
Deductions	7 Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16	
	8 Section 179 expense deduction	8	See page 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	9 Deductions related to portfolio income (loss) (attach schedule)	9		
	10 Other deductions (attach schedule)	10		
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1	
	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above	11b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	(2) Investment expenses included on line 9 above	11b(2)		
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b Low-income housing credit:		Form 8586, line 5	
	(1) From section 42(j)(5) partnerships	12b(1)		
	(2) Other than on line 12b(1)	12b(2)		
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See pages 6 and 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		
	e Credits related to other rental activities	12e		
	13 Other credits	13		

For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Cat. No. 11520D

Schedule K-1 (Form 1120S) 2003

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Name of foreign country or U.S. possession ▶	15b	Form 1116, Part I
	b Gross income from all sources	15c	
	c Gross income sourced at shareholder level		
	d Foreign gross income sourced at corporate level:		
	(1) Passive	15d(1)	
	(2) Listed categories (attach schedule)	15d(2)	
	(3) General limitation	15d(3)	
	e Deductions allocated and apportioned at shareholder level:		
	(1) Interest expense	15e(1)	
	(2) Other	15e(2)	
	f Deductions allocated and apportioned at corporate level to foreign source income:		
	(1) Passive	15f(1)	
(2) Listed categories (attach schedule)	15f(2)		
(3) General limitation	15f(3)		
g Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15g	Form 1116, Part II	
h Reduction in taxes available for credit (attach schedule)	15h		
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a	Form 8611, line 8	
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

